Engaging Africa in a changing international political economy: Mauritius’ activism and co-operation in the World Trade Organisation (WTO)

By

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Abstract

My thesis traces and assesses the engagement of Africa in the international political economy through examining Mauritian activism and co-operation in the World Trade Organization (WTO) negotiating and decision-making process. Using the illustrative case study of Mauritius I investigate the increased engagement of Africa in the international political economy beyond the political elite interests and client-patronage relationships. This is done by establishing that those Mauritian elites involved in trade policy-making and activism and co-operation in the WTO are constrained by the process of deliberation and negotiation with other societal actors, ensuring that they act in accordance (to an extent) with the wider societal aspirations/interests (whether intended or otherwise) and act to advance the development of Mauritius’ political economy within international political economy. Using the Strategic Relational Approach (SRA) I explain the centrality of human actors in exercising agency in relationship with both the domestic and international contexts in which they find themselves – contexts which are uneven and which also constrain their activities. This allows me to interrogate the marginalisation and engagement approaches in their explanation of Africa’s position in the international political economy as I highlight their interrelated structural and agential dimensions and in the process provide an alternative lens to explain Mauritius’ domestic policy-making processes and engagement in the international political economy. My adopted alternative approach allows the thesis to develop a more complex understanding of the engagement of African countries in the international political economy than is currently provided by pre-existing literature.
Acknowledgements

Many thanks go to Dr. Nicola Jo-Anne Smith my first supervisor for her unending encouragement, invaluable comments, patience and direction. Her door remained open even at a time when she had to love and cherish her newly born baby. I have known Dr Smith since 2006 when she was my supervisor for my Masters dissertation. Without her tireless support it would have been difficult and impossible for me to pursue my PhD studies in the Department of Political Science and International Relations at the University of Birmingham. I am greatly indebted to her. I also want to express my gratitude to my second supervisor Professor Donna Lee whose thoroughness and attention to detail was invaluable in the production and quality of my thesis. I am sure, without her vast knowledge on Africa in the WTO, my work would have been poorer. I really appreciate both supervisors for the assistance rendered to me during my period of study. I salute you both.

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Special thanks goes to my family including my late father, my mother, my wife Tino, son Julian and daughter Sinead for their understanding, support and tolerance in lost time and income throughout the years.
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<tr>
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<tbody>
<tr>
<td>AASAP</td>
<td>African Alternative to Structural Adjustment</td>
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<td>ACP</td>
<td>African Caribbean and Pacific</td>
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<tr>
<td>AfDB</td>
<td>African Development Bank</td>
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<tr>
<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome</td>
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<td>AoA</td>
<td>Agreement on Agriculture</td>
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<td>COMESA</td>
<td>Common Market for East and Southern Africa</td>
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<td>DDA</td>
<td>Doha Development Agenda</td>
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<td>DDR</td>
<td>Doha Development Round</td>
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<td>DWP</td>
<td>Doha Work Programme</td>
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<td>DSP</td>
<td>Dispute Settlement Procedure</td>
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<td>EPAs</td>
<td>Economic Partnership Agreements</td>
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<td>EPZ</td>
<td>Export Processing Zones</td>
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<td>EOE</td>
<td>Export Oriented Enterprises</td>
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<td>EU</td>
<td>European Union</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>GATS</td>
<td>General Agreement on Trade in Services</td>
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<td>ITC</td>
<td>International Trade Centre</td>
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<tr>
<td>ICTFU</td>
<td>International Confederation of Free Trade Unions</td>
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<td>ICTSD</td>
<td>International Centre for Sustainable Development</td>
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<td>IFIs</td>
<td>International Financial Institutions</td>
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<td>IISD</td>
<td>International Institute for Sustainable Development</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>IPE</td>
<td>International Political Economy</td>
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<td>IS</td>
<td>Import Substitution</td>
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<td>ITC</td>
<td>International Trade Centre</td>
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<td>JEC</td>
<td>Joint Economic Council</td>
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<td>JITAP</td>
<td>Joint Integrated Technical Assistance Programme</td>
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<td>JPPSCITI</td>
<td>Joint Public Private Sector Committee on International Trade Issues</td>
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<tr>
<td>LDCs</td>
<td>Least Developed Countries</td>
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<td>LMG</td>
<td>Like Minded Group</td>
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<tr>
<td>MCCI</td>
<td>Mauritian Chamber of Commerce and Industry</td>
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<td>MEDIA</td>
<td>Mauritian Export Development and Investment Authority</td>
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<td>MPL</td>
<td>Mauritian Labour Party</td>
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<td>MMM</td>
<td>Mauritian Militant Movement</td>
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<td>MSM</td>
<td>Mauritian Socialist Movement</td>
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<tr>
<td>NAMA</td>
<td>Non-Agriculture Market Access</td>
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NEDC  National Economic and Development Council
NEPAD  New Partnership For Africa Development
NESC  National Economic Council
NIEO  New International Economic Order
ODA  Official Development Assistance
OECD  Organization for Economic Cooperation and Development
PMSD  Parti Mauricien Social Democracy
RTA  Regional Trade Arrangements
SAPs  Structural Adjustment Programmes
S&D  Special Differential Treatment
SPS  Sanitary and Phytosanitary
TPU  Trade Policy Unit
TRIMS  Trade Related Investment Measures
TRIPS  Trade Related Aspects of Intellectual Property Rights
TRM  Trade Review Mechanism
TRTA  Trade Related Technical Assistance
UN  United Nations
UNCTAD  United Nations Conference for Trade and Development
UNDP  United Nations Development Programme
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<tr>
<td>UNECA</td>
<td>United Nations Economic Commission for Africa</td>
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<td>WEF</td>
<td>World Economic Forum</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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<tr>
<td>ZIMPREST</td>
<td>Zimbabwe Programme for Economic and Social Transformation</td>
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INTRODUCTION

In this thesis I attempt to interrogate the marginalisation and engagement approaches in their explanation of Africa’s position in the international political economy by using empirical analysis from Mauritius to try and highlight their interrelated structural and agential dimensions. I use the Strategic-Relational Approach (SRA) as an alternative lens to explain Mauritius’ domestic policy-making processes and engagement in the international political economy, specifically the World Trade Organisation (WTO). Using a case study of Mauritius the thesis argues that the SRA allows us to show the constraints placed on Mauritian elites by the process of deliberation and negotiations with societal actors as they interact and pursue the development of the political economy of Mauritius within the international political economy. This ensures that as the elites engage in the international political economy they act in accordance (to an extent) with the wider societal interest (whether intended or unintended) and act to advance the development of Mauritius’ political economy.

From the time the President of the United States Franklin Roosevelt described the Gambia as a “hell-hole” in 1943, African states and indeed Africa\(^1\) has not escaped such horrendous and negative descriptions of the socio-economic and political ills that bedevil the continent. Instead, Africa is still viewed as a “continent in crisis” (McNamara 1990), a continent that is “slowly drifting away from the rest of the world” and increasingly becoming known as the “continent of hunger and of AIDS, a recipient of aid and the origins of immigrants, and a

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\(^1\) There are various interpretations of Africa. The term “African” where it is used in this thesis is applied with the full awareness of its generalised meaning and usage. The justification for doing this is that the term reflects commonalities between different African countries experiences in the international political economy and indeed the World Trade Organisation (WTO) in the sense that they are regarded as peripheral, developing and largely excluded from core international political economy. For the purposes of this study, Africa is seen not only as a continent comprising different states but as an economic region comprising economies that share more or less the same economic history and have realised their weak bargaining power in the international system; thereby coming together in an effort to enhance this bargaining power aimed at realising the bond linking African countries – the desire to escape from dependency and underdevelopment which is a characteristic of the political economy of Africa.
battle ground for tribal warfare” (Abdulai 1993:169-178) – a ‘scar on the conscience of the world’ (Blair 2001) – a scar that has remained unhealed (Global Times 2009). The problems facing Africa have been blamed partly on the global political economy and indeed in recent years to globalisation and international trade liberalisation which offers an important aspect of Africa’s external environment. Yet the same conditions have helped Africa’s involvement in defining and shaping the global economy (Taylor and Williams 2004).

By and large Africa has been seen to have reacted to the world order particularly due to the combination of events and circumstances between the African political elite, the state, government and the conditions in the international political economy. While I agree with some of these views such as structural conditions that constrain African countries, the theories of structuralism and intentionalism which I learnt as an undergraduate did not explain my experiences as a policy-maker with the government of Zimbabwe and as a negotiator in the WTO. During my undergraduate studies I learnt about the marginalisation approach (structuralist) which blames the economic decline of Africa on the international political economic structure and the engagement approach (intentionalist) which examines the engagement of African states through the activities of the state elite especially political leaders. Yet when I was a policy-maker I was involved in the Zimbabwe trade policy-making processes together with other interested stakeholders such as industry representatives and labour representatives. My involvement in trade negotiations in the WTO was such that, besides consulting trade policy-makers in capital, I used intuition and coalition positions to

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2 International political economy in this thesis is understood both as an academic discipline of International Political Economy (IPE) and the real world of the international political economy. As an academic field, Hay and Marsh (1999) argue that IPE whether “as a concept, object of analysis or mode of enquiry, is currently undergoing something of a renaissance.” This study is an attempt to put Africa on the nexus of IPE and feed in the renaissance.

3 The state elite is in reference to the political elite/leaders which according to Bassey (2009) included individuals with high level of education, the intelligentsias and people with occupations that paid them wages who assumed political power and leadership in post colonial African countries. These elites according to Hewitt (2009) have developed within the state playing a central role in political development as elaborated by Leftwich and Hogg (2007a) and Leftwich (2009, 2010) that they influence critical political, economic and social decisions.
decide certain country negotiating positions. As such the theoretical lenses I learnt failed to acknowledge the relationship between activities by various African human actors/agents like myself and the contexts in which they are situated as African countries engage in the international political economy.\(^4\) Besides it is not only the political leadership that is involved in the engagement process but a number of actors in relations to the domestic and international conditions in which they find themselves. More so the approaches do not take into account the different domestic political, economic and social contexts in which engagement decisions are made.\(^5\)

As such one major weakness emerging from the conventional literature is that it pays little attention if any to the broader spectrum of African human agents/actors in their relationship with the contexts in which they are situated as they engage in the international political economy. The literature also fails to underpin the importance of the link between domestic processes of policy-making and the processes of engagement in the international political economy, both of which involves a variety of human actors. This is despite that in recent years there has been increased engagement by a variety of Africa human actors in view of the changing international political economy. As acknowledged by Taylor (2001), Taylor and Nel (2002), Kotze’ and Steyn (2003), and Leftwich (2010) that there has been a change in the composition of the ruling elite owing to changes in the international political economy. This, it can be argued has allowed policy decisions and engagement in the international political economy to cease to be a prerogative of the political elites to include a number of interested stakeholders. Yet pre-existing literature on African engagement in the international political economy does not adequately address the activities of these actors. By examining these

\(^4\) By African human agents/actors I refer to policy makers, negotiators, political elites, diplomats, civil society representatives and business representatives who as in the case of Mauritius are involved in both trade policy formulation and engagement in the WTO.

\(^5\) Leftwich and Hogg (2007b) and Leftwich and Wheeler (2011) argue that successful development is a result of political processes which involve diverse leaders and elites representing different groups and interests and organizations in resolving collective action problems.
processes of policy-making and engagement in the international political economy I hope to have a complex understanding of how we as individuals reproduce, transform and reshape the conditions in which we find ourselves.

Moreover much of the literature tends to be general with few attempts to examine specific countries in detail. Yet the domestic socio-economic and political conditions differ with different African countries and their response to the external environment differs as well. Such sweeping generalisation about the political, economic and social landscape in Africa ignores the reality that African countries differ both in terms of their historical experience and the domestic context (Mukand and Rodrik 2005, Von Doepp 2009). The literature also overlooks the relationships between African actors and the role they play in the engagement of African countries in the international political economy. The interaction between these actors and the conditions which surround them bring different patterns of change and the way each country engages in the international political economy. This is particularly true given the artificial borders created by the colonisation of Africa, which means varying degrees of interaction by the actors as determined by the conditions in the country they are situated. It is therefore important to acknowledge and examine the relationship between these actors and the contingent characters of the social, political and economic systems both at the domestic and international levels. The relationship between Africa and global ideas/policy paradigms in the engagement processes becomes important in this respect and yet it is often overlooked. More critical are the inadequacies to show the relationships between ideational realm, the material realm and interests in the manner in which these actors relate and the ways in which African countries relate with the international political economy.

in order to explain the centrality of human actors in exercising agency in both the domestic and international contexts – contexts characterised by uneven/unequal power structures that ‘select for’ certain kinds of strategy and agents over others. More so the SRA allows us to be able to get an insight on the impact of both the structure and ideas as constraints upon the state actors. I therefore use the SRA approach to interrogate pre-existing literature and theories on Africa’s role in the international political economy and give an alternative lens, which I think can help us further understand the behaviour of African actors in circumstances not of their own choosing. Moreover as argued by Leftwich (2009:5 and 2010: 93) and Von Doepp (2009) the issues of structure-agency have ‘barely been addressed in the developmental context’ - especially in explaining socio-economic and political behaviour in Africa – more so in the international political economy. I adopt the approach conscious of it being Eurocentric and do not constitute a set of substantive theoretical or explanatory claim about the state, yet it offers us some guidelines for the analysis of states as complex objects based on relational approach. It allows us to examine the relationship between the state, society and actors. This makes the approach useful to the study of different African states as they are built on different societies and have different relationships with the societies in which they are built. The approach offers me with an opportunity to engage in an analysis of social processes of change within a rather different context. This provides me with an important opportunity that allows me the deliverance of insightful perspectives which challenge conventional wisdom.

**Key aims**

This thesis is intended to dig deep under the surface of Africa in the international political economy and create an understanding of what lies beneath African countries policies towards the global economy. As an illustrative case study I provide a political economy analysis of trade policy-making and reform in Mauritius as a basis for engagement in the multilateral
trade negotiations in order to understand the broader issues of Mauritius engagement in the international political economy. As I do this, I attempt to use the SRA to interrogate the marginalisation and engagement approaches using Mauritian empirical analysis to try and highlight their interrelated structural and agential dimensions. I also use the SRA as an alternative way of explaining domestic policy-making processes and engagement in the international political economy. Despite being sympathetic to the engagement approach, I think the engagement approach gives us a half-baked account, which fails to explain the dialectical relationship between the Mauritian political elite and the environment in which they find themselves both at the domestic and international levels. I think such inherent limitations within the engagement approach can be overcome by using the SRA. As such the thesis revises the engagement scholarship and tries to relate it with the marginalisation approach. This gives us an alternative lens which allows us to show that the constraints placed on Mauritian elites by the process of discussion and interaction with societal actors ensures these elites, in interacting and pursuing the development of the political economy of Mauritius within the international political economy, act in accordance (to an extent) with the wider societal interest (whether intended or unintended) and act to advance the development of Mauritius’ political economy.

However, this does not imply that Mauritius can tell us everything about Africa in the international political economy but it can tell us something. It is the key claim in this thesis that despite the constraints they face, Mauritian human actors/agents (policy-makers, negotiators, political elites, diplomats, civil society representatives and business representatives) play a central role which influences the course of events in trade policy-making and in the end Mauritius activism and co-operation in the WTO. I argue that for us to understand the engagement of Mauritians in the WTO it is important to take into consideration domestic processes of policy-making and international negotiations and
decision-making processes in determining trade policies in both ideational and material terms. This is because countries, including Mauritius, do not practice free trade but employ different types of trade policies to achieve desired goals. Moreover there is a gap in the study and analysis of the link between the domestic and the international in the case of Mauritius and other African countries with much emphasis on the role of the international structure and the political elite. My study therefore attempts to contribute to the filling of this gap through examining the relationship between Mauritian trade policy-making, international negotiations and decision-making processes and dominant international trade policy regimes/ideas.

At the core of my claim is my acknowledgement that human actors play a central role which influences the course of events as they unfold in their historical contingent. This means we can look at the world as being always contextual and that human beings are always situated in a particular context which informs their action, but they also “reproduce, or construct, their ‘world’ through their actions” (Steans, Pettiford and Diez 2005: 181). I argue that this interaction between actors and the conditions in which they are situated bring different patterns of change. As such we cannot determine the engagement of African countries in the international political economy by merely looking at the structure or the activities of political elites for this will mean having a partial picture. Moreover as I will argue both the domestic context and the international context are transformative, inter-subjective and discursive (Hay 2002, Penna et al 1999 and Giddens 1999). This means that both contexts are in constant flux and change, thus creating opportunities for co-operation; contrary to the marginalisation approach position based on the assumption that power is ubiquitous and structural in nature. Acknowledging this transformative, inter-subjectivity and discursiveness of the contexts allows me to create the intellectual space for the inclusion of interests, material and ideas in domestic and international social transformation and how this relates to African engagement in the international political economy.
As I seek to demonstrate how Mauritius helps create rules and norms of the international political economy which in turn have an impact on Mauritius, I will try and highlight the need to be able to explain the interaction of actors at both the intertwined material and ideational levels. I will try and do this at both the domestic policy formulation level and engagement at the international level. This is important because it allows me to be able to assess events at both the domestic and international level and try to understand the centrality of actors to processes of change. Actors who exercise their relational power and capabilities to influence the course of events and outcomes, not in a vacuum but in the context in which they are situated and yet do not have control of. As Mauritian actors influence and shape trade policy and engage in the international political economy they are informed by ideas in terms of their selection of strategies and in defining their goals and agendas. However, in as much as ideas are important to the selection of strategies and defining goals and agenda, ideas are not divorced from the material world as they are pursued by these actors in both contexts. It is therefore important to develop an account of Mauritian engagement in the international political economy that is sensitive to the importance of the potential causal and constitutive role of ideas in shaping social dynamics. As this happens, there is always a relationship between the domestic and the international ideational realms which makes it necessary to adopt a consistent approach that informs the interaction of the domestic and international contexts. This allows us a broader analytical focus that permits the incorporation of factors relevant to the analysis. Following this argument I show that Mauritian actors have to act in a manner consistent with trade liberalisation for fear of the consequences on the development of the Mauritian political economy by not doing so. Thus the ideas that Mauritian actors hold about the context in which they find themselves play an important role in determining their course of action. Under circumstances in which Mauritian actors lack information, they interpret the world in which they find themselves in order to position themselves strategically towards it.
Thus I intend to examine Mauritius in the international political economy beyond the frameworks of pre-existing literature in an attempt to answer a number of unanswered questions. Questions about why Mauritian actors behave the way they do and how their behaviour shapes the context in which they operate and how their behaviour is also shaped by the same context and the action of other actors with which they interact with. By doing this I attempt to understand the involvement of Mauritius in the international political economy in a different way by not merely explaining it in terms of colonial heritage or structure or blaming incompetent leadership. Instead I try and examine why and how Mauritius actors produce, reproduce and redefine the constitutive principles and structures in which they operate. By examine human activities and their relationship with the context in which they are situated I move away from simply stating and describe the *status quo* on Mauritius in the contemporary international political economy.

**Research design and methodology**

I am confining myself to process tracing in a single case to provide a variety of evidence of the operation of causal mechanism.\(^6\) I do this in an effort to show the explanatory power of the SRA. This will in turn allow me to define conclusions about the adequacy or inadequacy of using the SRA to explain the engagement of Mauritius in the WTO. But this does not mean that Mauritius somehow represents the whole of Africa. I would have taken Zimbabwe as a case study because it offers an example of a country with a political leadership that might look dominant in decision-making and engagement in the international political economy and yet other stakeholders are involved in policy-making (including trade policy) before such policy is used for engagement in the international political economy. However, I could not do this because of being in exile, which would have made it difficult for me to obtain interviews from Zimbabwe.

\(^6\) Process tracing involves both inductive and deductive study of events and sequences in a case. (See Hay 2002).
Although I could have chosen any other African country as a case study, I focus on Mauritius because of three main considerations. Firstly, despite Mauritius’ ‘atypical’ characteristics within an African context (e.g. absence of a peasantry/indigenous population and hence – neo-patrimonial forms of governance, small state, relatively higher per capita income, a strong capable and relatively autonomous bureaucracy), Mauritius remains an African country. Mauritius regards itself as small island African state because of its geopolitical setting and conducts much of its political and economic cooperation/integration within the African context. As such Mauritius is a member of the African Union, Southern Africa Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA), and has trade agreements with 22 African countries. Moreover Mauritius shares some of its distinctive characteristics (albeit not on the same scale) with other African countries (both island and inland) such as Seychelles, Cape Verde, Botswana and Namibia (small, relatively higher per capita income, autonomous bureaucracy, non-neopatrimonial form of government) (Domeland and Sander 2007). This makes Mauritius more consistent with these African countries than distinguishable from them – thus not very unique. My case study in therefore intended to answer a number of questions which tend to be general for most African countries but can be asked in the case of Mauritius.

Secondly, Mauritius offers an example of an African country that in spite of what Bunwaree (2001: 3) calls “entrenched dependency” has paved its way up the development ladder to be classified as a middle income country albeit through open trade policy – earning a status as a development ‘superstar’ (Mukand and Rodrik 2005 and Brautigam and Diolle 2009). It is this characteristic of being African and having achieved immense economic development in an increasingly changing international political economy that interests me most. Like other scholars I attribute Mauritian development to trade growth among other factors. However, in this thesis I am interested in explaining why and how trade policy has been used as an
instrument in multilateral trade liberalisation and WTO negotiations to allow Mauritius continued benefits from trade policy induced export growth under a changing international economic environment. It is this ability by Mauritius to use trade policy for developmental purposes that makes it an interesting case. This is in contrast with a number of African countries that have tried to use trade as a tool for economic development under structural adjustment programmes with very little success, if any at all (Mkandawire 2005). Thus Mauritius gives a good case for an explanatory typology which involves two dimensions: (a) Mauritius’ interests in terms of the country’s foreign trade in relation to domestic requirements and (b) Mauritius’ relative capabilities in trade negotiations in the WTO. Such capabilities in trade negotiations in the WTO are important as they help open foreign markets for Mauritian goods and services as well as allow imports essential for the development of the Mauritian economy.

Thirdly, Mauritius unlike other African countries has a long history of collaboration between government and private sector in trade policy-making and engagement in the international political economy. Such collaboration allows me to talk of the relationship between the state and a numbers of agents in the development of the political economy of Mauritius and engaging with the international political economy rather than the role of the political elite alone. Collaboration between government and other stakeholders is not a new approach in Africa as some African governments (Zimbabwe, Zambia, Ghana, South Africa and Egypt) have in the past tried public/private sector relationships in policy-making processes without the success that equals that of Mauritius, which has been successfully doing this for over four decades. Moreover most African countries are introducing public-private sector relationships in trade policy-making as shown under the WTO Joint Integrated Technical Assistant Programme (JITAP) which has seen most African countries forming Committee on trade policy formulation with a number of stakeholders despite facing a number of challenges and
problems. On the other hand Te Velde (2008) examines 20 sub-Saharan African countries which have institutionalised public-private dialogue (PPD) from 1970-2005 with Mauritius having the oldest PPD. Such public-private relationships in trade policy-making tell us something about the engagement of African countries in the international political economy, making it a research area worth pursuit. In this instance Mauritius gives a good example of an African state that can be seen as a context that facilitates the discursive process of policy formation and the engagement of Mauritian actors at the global level to “circumvent, or adapt to, constraints faced at the domestic, regional or global levels” (Hobson and Ramesh 2002: 5-22). This also allows the deliverance of insightful perspectives about the economic development of Mauritius and its engagement in the international political economy which might be contrary to conventional wisdom.

While it is certainly not the case that all aspects of the Mauritian case are can be generalised to Africa as a whole, Mauritius still tells us something about the context for, and capabilities of African states – making it an interesting case study in its own right. More particularly the Mauritius example provides striking evidence (although I also recognise that it may well be unique and therefore some of my conclusions cannot be generalised) of the engagement of Africa in the international political economy. In this instance the Mauritian case allows me to gather information about highly specific events and processes in the WTO. In so doing the case study provides a means of challenging the idea that the international political economy determines the outcome of African activities in the global economy. Too often African states have been viewed as passive actors in the international political economy. Yet, as I will demonstrate in this thesis, Mauritian actors are less passive recipients of external forces and more architects of Mauritius’ deepening integration into world markets. As such, the Mauritian case helps us to tackle subjects about which little is previously known and what

7 Gerring (2004) argues that a single case study should not only focus on elements that are generalisable in order to avoid being narrow and misleading.
knowledge there is, is flawed. Not only does the Mauritian case help us understand some aspects relating to African engagement in the international political economy but it gives us some insights on as to the relevance of the SRA in the study of African political economy by providing in-depth insights of empirical phenomena in relation to theory, which allows us to understand both theoretical and empirical phenomena.

In process tracing I give attention to alternative explanations on why Mauritius acts the way it does in the WTO. This allows me to trace the circulation of power through a number of complex sets of social relations within and beyond the Mauritian state. I also try to sustain the question of what else must be true of the process through which the outcome arose. Indeed the activities, co-operation and membership of Mauritius to certain coalitions are traceable through joint statements with other WTO members and operating jointly in preparatory and producing joint proposals. Documents from the WTO prove vital in tracing the activities of Mauritius in coalitions. But also of importance are documents from policy research institutions and organisations such as UNCTAD, South Centre, ITC, UNECA etc. because most African countries work in association with these institutions and organisations in research activities.

Personal accounts of Mauritian diplomats, policy-makers, business and civil society have been obtained from speeches, written accounts and elite interviews. Interviews have been carried out in order to ascertain, collaborate and help in the interpretation of the information found in documents and other sources – in a way confirming the information from these sources as well as add new empirical information. Interviews have also been done with African diplomats and officials from policy research institutions for the purpose of triangulations and comparison between Mauritius and other African countries, as well as

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8 Process tracing requires the gathering of large amounts of data from a wide range of sources (Tansey 2007).
make inference about other African diplomats and officials from policy research institutions who were not interviewed. Interviews were also intended to establish the decisions and actions behind certain events in the WTO, shedding light on hidden political action that are not clear from analysis of political outcomes or other sources. I have used purposeful sampling for interviews in which potential interviewees were identified through soliciting for interviews from all contactable African Missions in Geneva as laid down in the WTO Mission directory with further follow up on those who responded positively, ending up in interviews. In the case of policy research institutions, useful contacts where provided by Heidi Ullrich, Director At-Large for the Internet Corporation for Assigned Names and Numbers (ICANN) leading to snowballing. However, despite the limitations and difficulty of having access to diplomats and negotiators I managed to interview a meaningful sample. I believe my approach enabled me to get testimonies of individuals who were most closely involved in the WTO negotiating and decision-making process and giving advice to African countries. To this end 15 telephone interviews have been carried out with Mauritian delegates and Ministry officials, African and ACP country delegates and officials from policy research communities/institutions in and outside Geneva as well as academics. Seven responses based on similar questions as interviews were received from delegates and officials who requested for questions to respond to in their own time. Similar questions as in interviews were used to ensure that the same general areas of information were collected. The actual interests of Mauritius have been drawn from national statistics and trade statistics.

Thesis Outline

The structure of this thesis is intended to achieve the aims of the study, which is to use the SRA as an alternative approach to unearth Mauritius’ trade policy towards multilateral trade

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9 Tansey (2007) also argues on the importance of using non-probability sampling techniques for identifying elite interview subjects, and the need to reduce randomness as much as possible when sampling.
negotiations as a case study of how Africa engages with the international political economy. With the exception of chapter 3 that gives a background to the development trajectories of Mauritius, I have tried to show in every chapter the utilisation of my theoretical lens. This has allowed me to be able to show the contribution of my thesis to study throughout the chapters.

Chapter 1 sets out my position with respect to broader theoretical debates about how to conceptualise the position of states with respect to broader IPE. The chapter aims at making a contribution in trying to show how my adopted approach provides a sound theoretical lens albeit being Eurocentric, to important themes of empirical concern on how African countries relate with the international political economy. As I do this, I highlight the importance of the SRA as an alternative lens, which I am going to use to explain my main claims in the proceeding chapters of this thesis.

Having set the core theoretical framework that will guide my thesis in the first chapter, chapter 2 outlines and interrogates the debate surrounding the position of Africa in the international political economy and its relevance in the context of a changing international political economy. I start by giving an overview of the dominant literature discussing the main issues, the way they have been presented and their continued relevance to Africa’s position in the changing international political economy. This is intended to make a contribution to the understanding of the logic behind the various paradigms explaining Africa’s relations in the international political economy. I then offer a critique of the literature arguing that, although still relevant, it fails to adequately capture and explain the increased engagement of Africa in terms of human actors in relationship to the contexts in which they are situated. I will end up by arguing why the SRA can be an alternative approach for explaining the engagement of African countries in the international political economy.
Chapter 3 gives a background on the development of the political economy of Mauritius through four epochs in which socio-economic and political context provided an environment for trade policy being central to Mauritian development trajectories. I provide an analysis of the historical contours and dynamics of the political economy of Mauritius which explains why and how Mauritius has been successful where other African countries have not. This chapter also argues that the socio-economic and political contexts during specific time-horizons and spatial scales of action give power to a specific set of policy decisions instead of another during a historic epoch. I argue that the understanding of Mauritian development based on the pre-existing literature is incomplete without making reference to the relationship between Mauritian actors and the domestic socio-political and economic contexts in shaping the developmental trajectories of Mauritius through different historical epochs. The main claim emerging from the chapter is that Mauritius has undergone four developmental epochs in which, despite different socio-economic and political conditions, Mauritian elites were able to opt for an open trade policy (in all epochs) as they shaped the development of Mauritius. This has been successful due to the ability of Mauritian elites to negotiate different contexts under different periods with the same major interest, the development of Mauritius.

In chapter 4 I use SRA to gather insight on trade policy-making to demonstrate the importance of trade policy-making processes at the domestic level before engagement in the WTO. To do this I try and identify a Mauritian state structure that provides contexts in which various stakeholders determine Mauritian trade policy albeit on uneven terrain. As such, trade policy in Mauritius is a product of a process of deliberation and interaction between policy-makers, negotiators, political elites, diplomats, civil society representatives and business representatives and the state – which is the context in which they find themselves. I will go further to argue that the determination of Mauritian trade policy takes into account not only the interests of the political elites but of various stakeholders through deliberative and
consultative engagement albeit state structural constraints faced by the stakeholders in making such decisions. I argue that under such conditions the political leadership has limited control over policy-making and impact on authority over the state. This, as I will argue, ensures that those actors negotiating and promoting the development of the political economy of Mauritius in the WTO act in accordance (to an extent) with wider societal interests (intended or otherwise) and act to advance the development of Mauritius’ political economy. I conclude by noting that the Mauritian trade policy is an outcome of deliberative and consultative engagement within the state and with the state. The trade policy is then presented into the WTO by diplomats and negotiators acting on behalf of the state and not only by the political elites as suggested by the engagement school.\footnote{Mauritian negotiators especially at the WTO Ministerial Meetings include private sector and civil society representatives.}

Chapter 5 examines some of the constraints faced by Mauritius and other African countries in the WTO before focusing on the activities of Mauritian negotiators in chapter 6. The aim is to give a background on the WTO institutional structure and conditions in which Mauritius and other African negotiators find themselves, which they have to relate to. The chapter conceptualises the WTO using the SRA arguing that it provides an uneven terrain in which very few decisions and outcomes go in favour of Mauritius and other African countries due to the strategic selectivity of the WTO. I view the WTO as strategically selective rather than structurally selective thus allowing scope for actors to circumvent structural constraints. This is important because it gives a background on the uneven terrain in which Mauritian negotiators and diplomats find themselves – that is an institution in which members select certain strategies than others. This means the WTO is a site of strategy – for the creation of coalitions, which are an attempt to level the negotiating terrain. Mauritian diplomats and negotiators consciously opt for the coalition strategy in an effort to make gains from the WTO trade liberalisation. However, the creation of coalitions has not helped much to sway
decisions in favour of Mauritius and other African countries. This I argue is partly due to lack of negotiating capacity within these coalitions.

Having argued in chapter 5 that coalitions are strategically selected and employed by diplomats and negotiators to try and achieve desired outcomes, chapter 6 argues that Mauritius has contributed to the strengthening some of the coalitions it belongs to in terms of human capacities in an effort to meet the desired results as expected by Mauritius. I examine Mauritius’ strategy in the WTO negotiations and the activities of its negotiators in the Africa Group and the ACP Group to demonstrate how these activities have been critical in the shaping and strengthening of these coalitions which in turn assist in the realisation of certain Mauritian interests. At the same time, I argue that Mauritius employs a kind of a ‘balancing act’ and an intermediate role in these coalitions with the intention of benefiting from different coalitions. Developing my argument on two interests, Special and Differential Treatment (S&D) in agriculture in the Africa Group and market access and preferences in the ACP Group I argue that, because of the perception that coalitions empower diplomats and negotiators, Mauritian diplomats and negotiators put considerable effort in strengthening the Africa Group and the ACP Group. This helps explain how Mauritius shapes the WTO negotiating context and thus influence what is socially, politically and economically possible for other negotiators as well as the realisation of Mauritian interests in the WTO. However, the political power gained through coalitions (Africa group and the ACP group) has not been translated into real gains that meet the development concerns of Mauritius.

In an effort to show the relationship between Mauritian trade policy-making and global policy paradigms, chapter 7 gives an analysis of why and how Mauritian actors engage with the ideas of multilateral trade liberalisation as embedded in the WTO in relationship with Mauritian socio-economic and political contexts. By doing this, the chapter intends to give an
insight on the impact of both the structure and ideas upon the state actors. I argue that these ideas are mediated by the Mauritian political, economic and cultural context in which they are situated. I will also argue that the idea of trade liberalisation as underlined in the WTO has influenced trade policy change in Mauritius. To this end Mauritius gives a good case study of a country that has a history of managing to engage and mediate with global ideas to suit Mauritian socio-economic development needs. Thus I explore the relationship between Mauritian actors and the logic of trade liberalisation and at the same time argue for the importance of political, social and economic factors in shaping policy change.

Lastly I will conclude by giving a summary of my arguments and try to outline the implications of the Mauritian case to other African countries. If Mauritius has managed to engage and mediate with the international political economy as in the WTO through linking domestic processes of trade policy-making and international processes (which other African countries are supposedly doing), then the engagement of African countries in the international political economy must be viewed in a different way than what contemporary literature portrays. However, it is critical that such an examination should be done on a country by country basis while at the same time identifying some generalised aspects that contribute to our understanding of the engagement of Africa in the international political economy. I also end up by making several empirically based conclusions emphasising the explanatory power of the SRA.
CHAPTER 1

STRATEGIC RELATIONAL APPROACH

1.1 Introduction

Before I look at the debate surrounding the positioning of African states and, more specifically, Mauritius in the international political economy, I want first to set out my position with respect to broader theoretical debate about how to conceptualise the position of states within the international political economy. As I will argue in chapter 2 the debate on the engagement of Africa in the international political economy has been characterised by the lack of an in-depth analysis of the activities by various African human actors/agents, their relationship and how they relate with both the domestic and international contexts. The debate also lacks an adequate examination of the link between domestic policy-making processes and the engagement processes. As a result we are left with half backed accounts on the engagement of African states in the international political economy.

In this chapter I seek to unpack the SRA as developed by Hay (1995, 1996, 1999, 2002, 2004b, 2007) and Jessop (1990, 2000, 2001b, 2004a, 2004b, 2007) as an alternative lens, which I am going to use to examine Mauritius’ engagement in the WTO. My aim is to try and make a contribution to the debate on the position of Africa in the international political economy and show how SRA provides a sound theoretical lens for important themes of empirical concern to most African scholars on why and how African countries relate with the international political economy the way they do. This is important since assessing the capacity of states in a changing international political economy requires process-tracing over time and the SRA is capable of such process tracing. This is because the approach recognizes that the structure and agency are interwoven and interact dialectically in practice and that the relationship between the ideational and the material spheres are also dialectical. Thus we
cannot talk of African actors without talking of the international political economy structure neither can we talk of global ideas influencing African actors without examining the relationship between these ideas and the economic interests of African states.

As such this theoretical exercise is expected to generate richer categories with which I begin my analysis on Mauritian domestic processes of trade policy-making and engagement in the international political economy. This is important because it allows me to be able to assess events at both the domestic and international level and try to understand the centrality of actors to processes of change. Actors who exercise their relational power and capabilities to influence the course of events and outcomes, not in a vacuum but in contexts in which they are situated and yet do not have control of. Moreover as these actors influence and shape policy and engage in the international political economy they are informed by ideas in terms of their selection of strategies and in defining their goals and agendas. However in as much as ideas are important to the selection of strategies and defining goals and agenda, ideas are not divorced from the material world as they are pursued by these actors in both contexts. It is therefore important to develop an account of Mauritian engagement in the international political economy that is sensitive to the importance of the potential causal and constitutive role of ideas in shaping social dynamics. As this happens, there is always a relationship between the domestic processes of policy-making and the international ideational realm which makes it necessary to adopt a consistent approach that informs the interaction of the domestic and international context allowing a broader analytical focus that permits the incorporation of factors relevant to the analysis.

To this end I will in this chapter give a brief background on the development of SRA and then unpack the SRA highlighting its core arguments relating to the structure-agency debate; the political realm; the relationship between the ideational and the material realms; ideas and
policy change; and its utility in explaining institutions. I will conclude by outlining how I am going to use the SRA to explain my main claims in the proceeding chapters to this thesis.

1.2. Structuralism and Intentionalism as ‘oppositional’

As I will discuss in chapter 2 the marginalisation scholarship and the engagement scholarship examine the engagement of African states in the international political economy through the structuralist and voluntarist/intentionalist lenses respectively. As a result both lenses have led to inadequate accounts on the engagement of African countries in the international political economy. In international relations the structuralists and neo-structuralists place emphasis on the limitations rendered on the actor or state personnel by the structure as they interact in the structure. As such the behaviour of states in the international system is a result of the logic of the system (Waltz 1979, 2000, Mearsheimer 1990, 2007, Wendt 1999 and Wallerstein 1974, 1980). For instance Waltz (1979) thinks it is unwise for states to try and maximise their power because the system will punish them if they try to gain too much power. This means that the actors have no influence on the political outcome. Yet African human actors/agents have had influence on political outcomes in African states and indeed in the international political economy. To this end structuralism is limited in its explanation by not taking into account the ability of actors to realise their intentions.

On the other hand the voluntarists emphasise the conduct of actors or policy-makers in shaping the course of events (Downs 1957, Elster 1997, 2003, Lukes 2003 and Wright et al 2003). Indeed as argued by Elster (2003: 22) all social phenomena can only be explained in terms of individuals – ‘their properties, goals, and beliefs.’ As such, actors are able to realise their intentions. Yet it is not possible for actors to realise their intentions without some conception of a context. Doing so might imply a ‘condition of near anarchy’ in which outcomes are contingent upon the direct actions of the participants (Hay 2002). It would also
mean that no particular actor has more influence than the other and where actors are more influential it would be contingent (Ibid.). To this end the voluntarist is limited in its explanation because of its failure to take into account structural constraints on the ability of actors to realise their intentions. Thus it would be difficult to attribute the failure of African states in the international political economy to their leaders – purely on agential factors. As Leftwitch (2009) puts it in respect to Africa, we must also examine the interaction between the elites in the context of elites and elite politics and the structure which they shape and sustain. More so we should take into cognisance that any given set of empirical observations can be “accounted for in more or less agential, more or less structural terms” (Hay 2002: 91) (see also Hay 1995).

As such to give much emphasis on structures is to mean that the conduct of actors tends to be ordered. More so such emphasis entails that political behaviour is predictable and yet this is not the case in the real world because the social, political and economic context is not structured in a ‘determinant sense’ (Hay 2002). On the other hand to put much emphasis on the agency or action is inadequate in analysing political conduct because agency means more than political action (Ibid.). This means that for analytical purposes there is the danger of appealing either to structural factors or agential factors and regardless that both sets of factors can be found in the contexts which interest us. Thus as in the case of African countries in the international political economy, we can decide to choose to appeal to the conditions faced by African states in the international political economy in our explanation or choose to appeal to the activities of African political leaders yet it might be difficult to separate the two in our explanation. Similarly we might decide to explain the development trajectories of a country owing to conditions in the state or the activities of policy-makers and state managers yet it might be difficult to entangle the two in our explanation. Therefore an adoption of either explanation presents an inadequate explanation in itself in a world where a number of
structural and agential factors can be found in most contexts. For instance a structural explanation might imply that agents are simply an extension of the structure or environment which means they cannot act differently or be accountable for their actions. If we relate this to Africa it means that African leaders cannot act differently due to the conditions of the international political economy and yet these leaders are not just conscious of the international political economy environment but are also ‘reflexive strategic actors’ capable of behaving differently and yet decide not to. This means that structural and agential factors must not be seen as ‘oppositional’ in their explanation of the engagement of African countries in the international political economy. Instead we should look at the interplay between the structural factors and agential factors in any given situation.

Meanwhile, Giddens (1984) highlights the failure by both the structuralists and the intentionalists to deal with the structure agency relationship. For Giddens, structure and agency are intertwined in such a way that agents are situated in the structured context which is an uneven environment in terms of the distribution of opportunities and constraints on them. As such actors influence the development of the context through the consequences of their actions – a context that in turn influence the ability of actions to influence the realisation of their intentions. Thus Giddens provides a structuration theory which focuses on the duality of the structure-agency relationship – that they are mutually implicated in the process of change. But as Hay (1995, 2002) and Jessop (1990, 2007) point out Giddens ends up giving a solution that points to the duality of structure alone which in itself is problematic as it does not investigate the duality of structure-agency and in the end provides an ‘analytical dualism.’ Instead Giddens’ solution means alternating between structuralist and intentionalist accounts – which is what the pre-existing literature on Africa in the international political economy, seems to do. But this leaves a number of questions concerning conceptualising structure and agency in Africa. How can we meaningfully conceptualise and research agency in Africa?
How can we best theorise agency in Africa? What is the relationship between the agency in Africa and the context and the interplay of both local and global forces? What is the extent to which individuals as agents move beyond the bounds of state and sub-national structures? Nyamnjoh is of the view that potential for African agency is open to individuals as well as to “groups, communities and structures that they produce, reproduce and transform” (2007: 340-344). However, such an approach of conceptualising agency might entail the reducibility of the structure – to have the ability to be both structure and agency. Also important is the question whether African states are actors in the international system when we know human beings act on their behalf. This is where SRA becomes a valuable explanatory lens. It is to the SRA as an explanatory lens that I now turn.

1.3. Structure Agency Debate

Giddens’ analytical dualism gives a point of departure for the SRA which puts emphasis on the dynamic interplay of structure and agency over time. The SRA starts from the premise that structure and agents are mutually constitutive and their interaction is not reducible so as to treat structural and agential factors separately – inseparable analytically and interwoven practically (Hay 1995, 2002.). According to Hay (2002: 94) structure entails “context and refers to the setting within which social, political and economic events occur and acquire meaning”; and agency refers to action or “political conduct,” which entails the “ability or capacity of an actor to act consciously, and in so doing, to attempt to realize his or her intentions.” A definition shared by McAnulla (2002: 271-291) that structure refers to “context; to the material conditions which define the range of actions available to actors” and agency refers to “individual or group ability to effect their environment”. For Hay (2004b: 3) “it is agency – the capacity of actors to exercise genuine choice in a given context – that is the key to the complexity of social and political systems.” However, agency is exercised on an uneven terrain preferring some interests over others. As such SRA is an attempt to go beyond
the duality of structuration theory by examining ‘structure in relation to action and action in relation to structure’ (Jessop 2001b: 1223) making us able to identify a “strategic actor within a strategically selective context” (Hay 2002). This means, analytically, structures are treated as strategic in their “own form, content, and operation, and actions are thereby treated analytically as structured, more or less context sensitive, and structuring” (Jessop 2001b: 1223). Thus structure and agency are dialectically related (Hay 2002, Jessop 2007), providing us the “very conditions of social and political interaction” (Hay 1995:192). At the same time structures have no meaning outside ‘specific agents’ who look for ‘specific strategies’ (Jessop 1990, 2001b, 2004a, 2004b, 2007 and Hay 2006c). However, in the interaction between structure and actors given structures may privilege some actors, identities, strategies and actions over others when choosing a course of action (Hay 1995, 2002 and Jessop 1990, 2001b, 2004b). In this instance SRA treats social phenomena in terms of social relations.

For example the state has not been easy to identify and is something of a ‘paradox’ because on one hand it seems “all-pervasive, shaping and reshaping the landscape of social and political life” and on the other hand it is “intangible, elusive and almost impossible to pinpoint finely and to specify tightly” (Hay 1996: xii) (see also Hay 2006c, Hay and Lister 2006, Flinders 2006, Lister and Marsh 2006 and Jessop 2000, 2007). As a result there has been a diversity of state theories which give us a diverse understanding of the state. This means that the state means a ‘variety of different things in a variety of different perspectives’ Hay and Lister 2006: 4). However, despite such diversity there is a general agreement that the state ‘is fundamental to social, political and economic analysis’ (Hay and Lister 2006: 1).

Hay and Lister (2006) in their search for ‘family resemblance’ in the theories of the state show how state theories (particularly pluralism, elite theory and Marxism) are greatly influenced by two aspects of the Weberian understanding of the state (see also Lister and
First, that the neo-statist and institutionalists put emphasis on the ability of state managers to use power independently and autonomously of non-state forces, the power of the state to bring order in modern societies and the ability of institutional structures of a particular state to undermine or enhance such capacities at particular moments (Hay and Lister, 2006: 8). The neo-Marxist state theory, neo-pluralism and the public choice theory have not been able to escape this influence either. Second, these theories have been influenced by the Weberian view that emphasises state mechanisms in its preservation of its monopoly to authoritative rule-making, focusing on the question of legitimacy. This issue of legitimate monopoly to authority has also influenced the neo-Marxists and the neo-pluralists (Hay and Lister, 2006). What does this mean in terms of examining African states?

Just like anywhere else in the world, it is difficult and impossible to develop a general theory of the state, making it impossible to have a single theory of the state in the African context. Whilst I agree that state theories as argued above can be useful in examining African states and help us expose a variety of different things, I think for the purposes of this thesis these theories have inherent weaknesses. As Hay and Lister (2006) argue, the theories tend to be one-sided, focusing on the state’s internal political factors and as such do not give us much in terms of political factors outside and beyond the state; and they tend not to develop an understanding of the ever-changing relationship between state and society, the public and private (see also Jessop 2007). Yet we know that different states (African states included) are built on different societies and have different relationships with the societies in which they are built. In this thesis, I am looking at the Mauritian state not as a distinct form of authority that is independent of the actors who give effect to its power as argued by the neo-patrimonial approach that sees the state as synonymous to the rulers or state managers. Instead I look for an approach that allows us to examine the relationship between the state, society and actors. As argued by Jessop (2007: 1) that the state and political systems are parts of ‘broader
ensemble of social relations’ and the state cannot be fully described without reference to the ‘differential articulation with this ensemble.’ As such the reliance on theories of the state on certain conceptions and understandings of the nature of the state, including African states, makes it difficult to identify an analytical and precise definition of the state as an object of enquiry (Hay 1996 : 3) (see also Hay and Lister 2006, Jessop 2000, 2007). Indeed Watson (2005: 179) talks of the under theorisation of the concept of ‘the state’ within IPE with most scholars viewing the state as a ‘political authority,’ equating politics with “the state’s pursuit of some pre-given national interest.” Yet the state has no ‘pre-given national interest’ existing “only as a theoretical abstraction” and is not a “unified collective actor” (ibid. 181). Thus we cannot reify the state but it can be seen as a ‘complex ensemble of social relations within given social formations’ (Jessop 2000: 31, 2002, and 2007).

Bearing the above in mind, and for the purposes of this study, I think the SRA provides a useful lens for a better understanding not only of different African states but their relationships with the societies, in which they are built, state managers, institutions, the private sector and other political actors. This is a challenge that we face in our examination of African states which the neo-patrimonial approach fails to address. Instead they examine African states in terms of the activities of state managers only as if their actions are deterministic. Again some state theories, Marxist, institutionalism, green theory, feminism and public choice theory have been accused of structuralism ‘reproduced independently of political actors’ (Hay and Lister 2006: 11). Yet the state cannot be independent of the actors in it. As argued by Lister and Marsh (2006: 251) that it is increasingly common to see that the relationship between actors and structure is dialectical; ‘that is interactive and iterative’ – a conceptualisation common in modern Marxism, elitism and historical and discursive institutionalism.
On the other hand the SRA is an approach that allows us to examine different African states as providing contexts within which political actors are situated analytically, providing the institutional landscape which political actors must negotiate. In its conceptualisation of the state, the SRA tends to critique the Marxist theory and is, at the same time, influenced by Marxist propositions that the state comprises social relations but rejects the idea of a general theory of the state.\(^{11}\) Thus SRA is developed on the basis of engagement with particular debates on Marxism and the philosophy of social science, offering some guidelines for the analysis of the state as a “concrete-complex object of inquiry’ based on relational approach and can be seen as the site, the generator and the product of strategy” (Jessop 2007). However, because the landscape is strategically selective the state provides an uneven strategic terrain in which actors must orient themselves if they are to achieve their intended outcomes. As argued by Hay (1996: 7), the state is strategically selective and that it “structures practices and *modus operandi* are more amenable to some types of political strategy and certain types of intervention than others” – and that it is an uneven playing-field privileging some interests over others. A view also stressed by Jessop (2000, 2007) that by virtue of its selectivity and always specific strategic capacities the state’s power is always “conditional or relational,” making it important to treat the “essential dynamism and complexity of the state as integral to its very nature” (Hay 1996: 7).

Bearing the above in mind, the state provides an institutional landscape that is ‘strategically selective’ and more conducive to certain strategies and preferences of certain actors than others (Hay 2002, Hay and Lister 2006 and Jessop 1990, 2007. Thus for Hay (1995, 1999, 2002) the state exists as a context or ‘set of structures’ providing the ‘very conditions of social and political interaction’ – economic, political and social containers (Jessop 2004b) and state crisis is a moment of transformation, a ‘moment of decisive intervention’ that must be made.

\(^{11}\) The application of SRA to state theory takes Marx’s critique of the political economy as its primary reference point (Jessop 2007).
and mark the ‘periodisation of the development of the state’ (Hay 1999: 317-344) (see also Jessop 2004a). The SRA also emphasises that the apparatus and practices of the state are ‘materially interdependent with other institutional orders and social practices’ that can be examined as the sources and product of strategies (Jessop 2007:5). As such, examining African states using the SRA lens allows us to run away from viewing the African state managers in voluntarist terms. We also move away from dualism which leads to the privileging of either the state or the actors. This is because the use of the SRA allows us to show that actors including state managers are constrained in their actions by the state and that the state is strategically selective, choosing certain strategies and actors rather than others. This becomes critical at a time when most African states are experiencing the involvement of more non-state actors in modern governance with the role of the state becoming different with increased emphasis on the co-ordination of complex modes of governance and less on state monopoly control over legitimate force. It is in view of this explanatory power of the SRA that I will seek to try and identify a Mauritian state amidst a debate full of ambiguity and inconclusiveness on the understanding of Africa states (see chapter 4).

1.4. Power and Politics defined

Hay (1995, 2002) makes an important contribution to the study of political analysis which I think is relevant not only to my study but the study of politics in Africa by providing a definition of power that fits well in the structure-agency approach. In its pluralist definition power is focused on decision-making with the powerful being able to hold sway in the decision-making arena (see Dahl 1963). On the other hand Keohane and Nye (1973) define power as the ability of one actor consciously affecting the behaviour of another in an asymmetrical interdependent way in the ‘issue-areas’ in which they are involved with one

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12 The SRA was first introduced in connection with the debates in state theory and then some debates in critical political economy, extended to issues of structure agency (Jessop 2007).
another. This means that power is understood in terms of its effects; attributed to individuals; associated with domination and not about effecting outcomes; and unproductive or zero-sum (Hay 2002). The behavioural definition of power has been employed widely in the analysis of decision-making processes in African states and the WTO (see chapters 4 and 5). Yet Hay (2002) suggests that we reject the behavioural definition of power and redefine the concept to separate the normative and analytical questions. Such a conceptualisation of power must take into account the consequences of an actor’s actions on one hand as well as the effect of such actions on the context on the other. Therefore we must look at power in terms of “context-shaping, about the capacity of actors to redefine the parameters of what is socially, politically and economically possible for others” (Hay 2002:185). Power is therefore about the ability of actors to influence or have an effect “upon the structures which set contexts and define the range of possibilities for others” (Hay 1995: 191, 2002: 185). Such a definition of power allows us to “identify the production of significant effects through the interaction of specific social forces within the limits implied in the prevailing set of structural constraints” (Jessop 2007). This means structures, institutions and organisations are shaped by human actions in a way that alters the parameters of future action (Hay 2002). As such we can argue that in the Mauritian domestic contexts, all actors not just political leaders have the capacity through strategic action to transform the terrain in which other actors are situated. Similarly in the WTO African negotiators have the capacity through strategic action to transform the WTO context in which other non-African states deliberate and negotiate. It is in light of this conceptualisation of power that I will examine Mauritian trade policy-making processes in chapter 4, WTO decision-making process in chapter 5 and Mauritius activities in chapter 6.

The other important contribution to the study of political analysis relevant to my study is mirrored in Hay’s contribution to the understanding of the concept of politics, warning us against a narrow conception of politics (2002, 2007). Given the subject matter of my study, it
is fitting for me to adopt a conception of politics that is both broad and inclusive and at the same time capable “both of acknowledging, and of differentiating between, the range of social arenas within which politics can occur” (Hay 2007: 71). This implies the ability to differentiate between formal public/ governmental politics arena and informal private/ non-governmental political arenas. I adopt this meaning fully understanding the conception of politics as outlined by Hay (2002, 2007) that politics involves choice, capacity for agency, (public) deliberation and social context. For Hay therefore, politics “is the capacity for agency and deliberations in situations of genuine collective or social choice” (2007: 77). This is because politics cannot happen in situations in which human purpose can exert no influence making politics a realm of contingency (Ibid: 67). Moreover politics occurs in contexts which can be differentiated. Thus I should be able to differentiate the state context from the international political economy /WTO context and show that human beings are involved in politics in both contexts. We can also appeal to politics as a process and look at what is political in terms of its content and at the same time specify the context in which it occurs.

Indeed for Hay and Marsh (1999: 7) politics is the “process of governing, an activity or a range of activities made meaningful, significant and worthy of investigation by virtue of the (formal) context in which it occurs.” The duo also views the sphere of politics as ‘context, process and conduct’ and that politics is not synonymous with the state. Rather conscious human thought should not be removed from politics and be replaced by states (Hay 2004b; Hay and Marsh 1999; Hay and Wincott 1998). Doing so will entail that “all conscious human subjects are removed from the picture” and replaced by states (Hay 2004b). Yet the state does not act but sets of politicians and state officials located in different levels and parts of the state system (Jessop 2007). Indeed “transforming the state into an actor in its own right” has the effect to ‘black box’ all the political activity that goes on within the state (Clark 1998). This means for instance if we decide to talk about African states interests we should
also talk about the behaviour and activities of domestic actors in the state which are critical to our understanding of social change. To this end it becomes important to acknowledge the dangers of artificially reifying ‘the national’ as a unit of economic analysis and argue for an approach that is ‘sensitive to social relations of production’ (Watson 2003). This is important as social structures are produced and transformed through human action and the same can be said of each individual because the individual agent is “continually reproduced and transformed through practice” (Lawson 2003). As such there is need to examine the importance of human interaction that gives significance to ‘territorial distinctions’ (Watson 2003).

The above argument has been echoed by other scholars (Brglez 2001, Erskine 2001, White 1999, 2004 and Sewel 1992) who argue against reifying states as international agents because they do not have any ‘desires, beliefs and intentionality’ nor can they respond to ‘ethical reasoning’ as argued by Erskine (2001). In their book ‘Strength beyond Structure: Social and Historical Trajectories of Agency in Africa,’ Mirjam de Bruijn et al (2007: 1) give us an African perspective of agency arguing that it is about ‘human capacity’ and that it is part of the production of ‘social formations’ and dynamic of interaction “between people and between societies and their predicaments and the environment.” Thus conceiving states as “psychological individuals concerned predominantly with the socialisation of international norms” would render us unconcerned with the “contingent political and legal aspects involved in international law-making and its application/re-interpretation” (Brglez 2001). More so our concerns with the “state-agency-international-ideational-structure” would vanish together with the human agency (Ibid.).

If human beings are the only actors as identified above in whose interest do they act? Watson (2005) tries to give us an answer when he argues that economic relations are not about
isolated individual approaches, but part of a wider social grouping. This makes the individual ‘socially constituted’ and as a result makes decisions that “are contingent upon the precise characteristics of the socio-economic relationship in which they are involved” (Ibid. p.67). As Jessop (2004a: 6) argues, social phenomena are discursively constituted and not isolated from other social phenomena so much that any ‘natural necessities’ found in the ‘internal relations of a given object must be tendential’ which can be fully realised if the object were fully constituted and continually reproduced through ‘appropriate discursive and social practices’ (see also Jessop 2007). It is in view of the above argument that I think we ought to examine the activities of all actors (not just political leaders) in Mauritian trade policy-making and engagement in the WTO because they are socially constituted in both the Mauritian states and the WTO. But we still have to answer the question – in whose interests do they make trade policy and engage in the international political economy and whether it is of any material benefits to Mauritians in terms of wealth creation in accordance with wider societal aspirations/interests (whether intended or otherwise) and the development of Mauritius’ political economy. One way of answering this is by examining the relationship between the ideational realm, the material realm and interest in policy-making and engagement in the international political economy. It is to this relationship that I now turn.

1.5. Relationship between the ideational realm and the material realm

One of the controversial aspects of the debate on the role of ideas in political analysis is on the relationship between the material realm, the ideational realm and interests. Risse and Wiener (1999: 775-782) argue that ideas provide a framework for defining interests as they comprise (individual or collective) “states of mind which are all-pervasive in social life” making it difficult to evaluate ideas ‘against’ interests in any meaningful way. Thus we can find out if actors are motivated by beliefs or norms of appropriate behaviour or by the search for power or material resources. To this end Wendt (1999: 104) argues that shared ideas make
up “norms, institutions, threat-systems, and so on – that constitutes the meaning of
distribution of power, either constituting states’ perceptions of that distribution or constituting
their identities and interests.” Whilst Wendit (1999:114) argues ‘interests are ideas’ or ‘ideas
constitute interests,’ Blyth (1997) thinks ideas could be investigated to establish if they are
necessary conditions for successful collective action amongst agents interested in
restructuring ‘distributional relationships – thus offering a way of redefining agents and
interests. For Blyth (2003:697) ideas can change the agent’s interests – ‘holding ideas apart
from interest, even analytically, makes little sense’ because ideas make action ‘explicable.’
Blyth’s argument is supported by Campbell (2002) who puts it that ideas held by actors hold
affect their interests. Watson (2005), in a way, supports the argument when he notes that all
action is aimed to satisfy interests even though some actions may be encouraged because they
enhance a preferred set of interests. However, this argument does not fully answer the
structure agency problematic which Hay tries to address by arguing that the issues of material
and ideation and structure and agency cannot be separated (2006b, 2006a, and 2002).

Gofas and Hay (2008: 29) give views which are more exciting as they try to tackle the
structure agency problematic arguing for the need to adopt a more inclusive understanding,
which allows the researcher to “chart the causal significance of constitutive processes and re-
construe the explanatory role of ideas” when examined in the more “inclusive (and
ontologically realist) understanding.” Moreover interests cannot be seen as ‘proxies’ for
material factors and are difficult to operationalise – they can also be collective or individually
not exist but constructions of interests do.” For Beland (2009) interests are perceptions and
ideational processes affect the way policy actors perceive these interests. Such constructions
of interests are inherently normative. They are ‘subjective conceptions of self good’ of what
individuals think would advantage them to act or have acted either on their behalf or
‘inadvertently by others.’ This means interests are idealised “extrapolation of subjective preferences’ or (if shared inter-subjective) differentiating them from immediate or particular desires (Hay 2006b: 38). They provide ‘cognitive filters’ through which actors orient themselves towards an environment in which they have to ‘evaluate the relative merits’ between contending potential courses of action. Such conceptions arise from the interaction with the context but are ‘neither given nor determined’ by the context. Thus Hay gives emphasis on the role ideas play in shaping the structural and discursive context in which agents act. Schmidt (2008: 8) also argues on the same and points that discursive institutionalism “considers the ideational content, agents, discursive dynamics, and institutional context of change” (See also Schmidt 2009). Under such circumstances the agent’s interests must be assessed in relations to structural constraints and conjunctural opportunities at a given time (Jessop 2007). This means that agents can have various interests in different situations as different situations privilege certain interests than others.

As such, the ideational and the material realms are “inextricably interwoven” in social and political change. Thus issues of the material realm and the ideational realm and of structure and agency cannot be separated (Gofas 2002, Hay 1999) – they have to be “viewed as a whole” (Gofas 2002). At the same time for Hay (2002) if the questions of structure and agency are “intimately connected” to the questions relating to ideas, then “the same is equally true of power.” Hay thus acknowledges the role of ideas as the interface between actors and the context in which they find themselves (2001a 2002). Because the future is always uncertain due to its dependence on social and political behaviour, it is “irredeemably informed by ideas” (Gofas and Hay 2008: 16). Thus because actors do not have perfect information they have to ‘interpret’ the context in which they find themselves in order to position themselves strategically towards the context. Under such circumstances ideas “provide the point of mediation between actors and their environment’ or context (Hay 2002: 209).
Because of this link between the actor and the context provided by ideas, Hay contends “a dialectical understanding of the relationship between the ideational and the material is logically entailed by a dialectical understanding of the relationship between structure and agency” (Ibid: 210). This means we need to understand the dynamic processes through which actors come to understand the context and the means by which they come to gain ‘knowledge’ about the environment as well as both the intended and unintended consequences of their action (Hay, Watson and Wincott 2000; Hay and Marsh 1999). This is because it is conscious human subjects that act within everyday economic situations and the economic relations in which human beings find themselves and the economic activities that they undertake as a result of being part of those relations are constitutive of their make-up as individuals (Watson 2005). As a result the “socialising effect of those relations shape who we are, how we act, how we think before we act, and the broader truth regime within which we locate ourselves as meaningful actors” (Watson 2005: 33).

1.6. Ideas and policy change

One interesting and probably less controversial aspect of the above debate concerns the role of ideas in politics and policy change. Indeed a number of scholars (Beland 2009; Cambell 1998, 2002; Cox 2001; Hay 1999, 2002, 2006b, 2004d; Hensen and King 2001; Lieberman 2002; Marsh 2009; Schmidt 2008, 2009; Yee 1996, 1997; and Wendt 1999) have emphasized the centrality of ideas and related discursive processes in politics and policy change. This debate is important to my study as I seek to gather further insight on trade policy change and development in Mauritius. As Risse and Wiener (1999: 775-782) put it, any “instrumentally rational policy-maker” should change ideas when faced with real world events “undermining confidence in these ideas.” This means that policy-makers work within the framework of ideas (See also Hay (2002). Indeed ideas can be seen as “facilitators of radical policy change and a prerequisite of it” (Blyth 2003: 246). A view supported by Cambell (1998: 381) that
“ideas facilitate policy-making action not just by serving as road maps, but also by providing symbols and other discursive schema that actors can use to make these maps appealing, convincing, and legitimate” (see also Cambell 2002). However, Cambell warns that the presence of other factors such as institutional obstacles can weaken the capacity of actors to promote and successfully adopt concrete policy alternatives. But because at times politicians as well as actors outside the state struggle to effect political change in order to improve government and the economy and society in general rather than simply for the sake of personal gains means ideas and interest matter in examining policy change (Cambell 1998) – meaning that ideas also constrain action. As such elites and other actors deliberately come up with policy ideas to convince each other and the general public that certain policy proposals constitute ‘plausible and acceptable solutions to pressing problems’ – making party leaders “ideational entrepreneurs who actively modify agents’ beliefs about what their interests are” (Blyth 2003:698). This might lead to a situation where the majority of the world population is excluded from the processes of policy-making, at times with policies implemented in a country decided elsewhere (Watson 2005).13

Along the same argument, Cox (2001) talks of a “social construction of the need to reform” in which political leaders encourage public debate through a process of ‘path shaping’ coming up with issues that generated support for widespread reform. As I shall show in chapter 3 the debate in Mauritius was embraced by all political leadership through an agreed ideology of Fabian socialism. For Cox (2001: 474) policies have meaning only as a result of the connection they have with ‘values, goals and objectives that resonate in the society.’14 Yet

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13 Watson (2005:79) raises the need for policy-making officials to have the support of interests groups who can legitimately claim to speak for large sections of society when deciding on policy. I will develop this argument in chapter 4 when I discuss trade policy-making in Mauritius.

14 In chapter 3 I will try and demonstrate that the problems of unemployment, social welfare and economic development in Mauritius are socially constructed and so is the need to reform them through new policy ideas bringing about policy change.
the reform process is political (Cox 2001) and some political elites will resist the reforms. As a result, there is need for the advocates of reform to employ strategies to convince the sceptics – this can be done by creating a discourse that changes the collective understanding of the problem. By doing so, they will shape the path necessary to enact reform (Ibid.). Because of this according to Cox path dependency only works when accompanied by a “conceptualization of the human agency” (p. 474) as well as “rhetorical strategies that connect new proposals to an existing value structure” (p.498). Such thinking by Cox is also shared by Yee (1997: 1026) that, ideas are not “natural” or “intrinsic” but are devised and given meaning by ‘interpretive human beings’ and have “broad and complex applicability in wide ranging contexts and diverse contingencies.”

Hay (2002: 194) on the other hand sees ideas as keys to unlocking political dynamics – “as such change in policy is often preceded by changes in ideas informing policy.” This has the ability to affect shifts in preferences for society and may have an important role in expediting the pace, “altering the trajectory or raising the stakes of institutional reform” (Ibid.: 194). However, for Hay (2002, 2001a, 2004c, 2006b) political actors lack full knowledge of the context in which they act. Instead they hold certain views about the context which are important to the way they act and to the outcome thereof, as argued by Jessop (2004a: 7) when he talks of imagined economies that they are “discursively constituted and materially reproduced in different spatio-temporary contexts, and over various spatio-temporary horizons” (see also Jessop 2001b, 2004b). Actors then mobilise support to competing imaginaries through manipulating power and knowledge to secure recognition of their imagined economy. Actors also hold the capacity to learn and thus get closer to a more accurate account of the context they act in (see also Beland 2009 and Hall 1993). As such, “ideas about the context and the strategies they inform evolve over time” Hay (2002).
It is also important to note that specific contexts have certain courses of strategic action available to actors, some of which are likely to see actors realise their goals” (Ibid.: 209) (see also Jessop 1995, Blyth 2003, Gofas and Hay 2008 and Cambell 1998). More so contexts present an ‘unevenly distributed’ configuration of opportunities and ‘constraints to others.’ As such political outcomes are a product of the impact of strategies devised by actors as “means to realize their intentions upon a context favouring certain strategies over others and does so irrespective of the intentions of the actors themselves” (Hay 2002: 208). This means that policy-makers conceptualise the context in which they make policy through the lens of a particular policy paradigm and access to the paradigm is mediated discursively (see also Hall 1993 and Beland 2009). The policy outcome reflects the context in which the policy-makers find themselves (Hay 2002). Under such circumstances, Hay (2006b) talks of ‘cognitive filters’ in which political actors struggle to have their ideas accepted by the people. Such ‘cognitive filters’ in a way entail ‘framing processes’ as political actors struggle to explain why it is in the best interests of the population to support their policy alternatives (Beland 2009).

Schmidt (2008) takes discursive institutionalism a step further than focusing on the ideational content (Hay 2002, Hay 2006a, Campbell 1998, Beland 2009) and argues on the discursive interaction of ideas in the process of generating those ideas in a process of policy-making. Thus attention must be given to the institutional context in which ideas are ‘communicated via discourse.’ For Schmidt (2008, 2009) we should also look at the subject matter of the ideas, that is the ‘content of ideas’, the carriers of the ideas, that is the ‘agents of change,’ the interactive process of discourse through which agents agree to change, that is ‘discursive dynamics of change’ and the framework in which agents engage in an interactive process of discourse, that is the ‘context of change.’ Schmidt further puts it that ideas and discourse provide power because actors “gain power from their ideas at the same time as they give
power to their ideas” (2008: 19). Thus agents without position power can use good ideas to either build a ‘discourse coalition’ for reform in the institution or to gain power. However, policy changes at the domestic level are sometimes influenced by external global policies and discussed below.

1.7. Ideas transcending national boundaries

According to Beland (2009: 709) policy ideas transcend national boundaries through ‘transnational actions and discourses of academics, politicians, international organisations and think-tanks’ leading to ‘ideational diffusion’ (see also Cambell 2002, Wendt 1999). As argued by Wendt (1999: 134-5) that because interests are made up of ideas, it means the discursive process of ‘deliberation, learning, and negotiation are potentially vehicles for foreign policy and even structural change.’ Indeed human beings are integrated into ‘habituated patterns of behaviour’ that have implication for inter-personal relations that transcend borders (Watson 2005). This means we should have a clear understanding of the influence of policy ideas transcending national boundaries on human conduct with respect to domestic policy change. To this end Hay (2002: 202) gives an interesting argument on policy ideas transcending national boundaries when looking at globalisation arguing that globalisation has become a “lens through which policy-makers view the context in which they find themselves.” If governments believe globalisation to be true, they will “act in a manner consistent with its predictions” and thus globalisation will have a crucial influence on political and economic outcomes “whether or not such constructions are well-informed”. Under such circumstances, it is “ideas about globalisation (constructions) rather than globalisation per se which affects political and economic outcomes” (Hay 2002: 204). Looking at British politics Hay (2004c) presents an argument on the normalisation of neo-liberalism in British institutions partly because of the constraint by the external environment. Thus according to Hay
“Policy paradigms are internalised by politicians, state-managers and policy experts alike and may become institutionally embedded in norms, conventions and standard operating procedures. In this way, paradigms come to define legitimate and appropriate action. Accordingly, they serve to delimit a range of feasible policy options in any given context, providing cognitive templates through which policy-makers come to understand the environment in which they find themselves (2004c:9).”

For Hay (1998, 2000, 2001a, 2001b, 2004a, 2004c, 2006a) and Watson and Hay (2003) “globalisation” is seen as “inexorable logic of no alternative,” an “inexorable logic of economic globalisation” with various variants of globalisation helping create institutional realities (Hay 2001b, 2001a; Hay, Watson and Wincott 2000) which have implications on public policy-makers. Hay, Watson and Wincott argue “(i) that ideas about globalisation may exert an independent causal effect on political and economic dynamics irrespective of the material effects to which they refer; and (ii) that in so doing they will serve to summon material effects entirely consistent with the globalisation thesis.” However, Smith (2004: 504) on examining the role of ideas about globalisation on policy change in Ireland suggests such ideas are “mediated by the economic, political and cultural context in which they are situated.” In her argument Smith (2004, 2005, and 2006) highlights the importance of economic factors in influencing policy change. Using the lens provided by Hay is it possible to argue trade liberalisation being an ‘inexorable logic of no alternative’ for Mauritius? Indeed is it possible to talk of the ‘discourse’ and ‘rhetoric’ of trade liberalisation with the former being the bodies of ideas and the latter being the strategic use of the ideas by actors? How are these ideas mediated by the Mauritian economic, cultural and political context in which they are situated?
1.8. Conceptualisation of Institutions in the SRA

Since my study examines the engagement of Mauritius in the WTO institution as well as refers to various Mauritian domestic institutions, it is fitting that I explore the conceptualisation of institutions using the SRA. This is important in terms of explaining the constraints faced by Mauritian policy-makers, negotiators, political elites, diplomats, civil society representatives and business representatives in trade policy-making and engagement in the WTO. According to March and Olsen (2005) institutionalism is used as a general term for the study of political institutions involving a set of theoretical ideas and hypothesis to explain institutional characteristics and the relationship with political agency, performance and change. As a result institutional theory has become the leading perspective in organisational analysis. Indeed organisations are seen as socially constructed contexts of action “that crafts and grooms the very process of organisational decisions-making itself” (Heugens and Lander (2009: 61-85). As a general term an institution is made up of a collection of rules and organised practices entrenched in the structures of meaning and resources that are “relatively invariant in the face of turnover of individuals and changing external circumstance” (March and Olsen 2005: 4). As such institutions empower and constrain actors in different ways making actors more or less able to act in accordance with the rules as the foundation for political behaviour thereby structuring politics because they:

“1) define who is able to participate in the particular political arena, 2) shape the various actors political strategies, and (more controversially) 3) influence what these actors believe to be both possible and desirable (i.e. their preferences)” (Steinmo 2001).

This means that institutional relations reflect particular power configurations which privilege some and disadvantage others (Wilkinson 2008, Steinmo 2001). In this sense institutions therefore describe the strategic context in which optimum behaviour takes place through
rules; players are identified; prospects and outcomes are determined; alternative modes of deliberations are allowed; and “the specific manner in which revealed preferences, over allowable alternatives, by eligible participates occurs” (Shepsle 1989). However, Wendt (1992) thinks an institution is a stable set or “structure” of identities and interests which are often “codified in formal rules and norms” but tend to have “motivational force only in virtue of actors’ socialisation to and participation in collective knowledge” (p.399).

Nevertheless it is interesting to note that the new institutionalism does not constitute a common body and is full of ambiguities (Clark 1998; Hall and Taylor 1996; Nicholas 1998; Aspinwall and Schneider 2000; and Heugens and Lander 2009). This means that the WTO as an institution or Mauritian domestic institutions are subject to various interpretations. As a result various interpretations historical institutionalism, rational choice institutionalism and sociological institutionalism portray a different political world which suggests the need for ‘greater interchange’ among the three approaches (Hall and Taylor 1996). This is because each approach tends to reveal “different and genuine dimensions of human behaviour” and the effect institutions can have on behaviour (Ibid.). However, the most central difference that divided the institutionalism is the structure versus agency debate yet it is possible to include the notion of agency without compromising the fact of social-structure influences on organisational behaviour (Heugens and Lander 2009). As Clark (1998) points out there are two brands of new institutionalism from which we are able to gain insight on the ‘recursive relationship’ between agency and structure.

Thus whilst the new institutionalism provides useful frameworks for understanding and interpreting the main features of the design and practice of institutions there are also inherent weaknesses that make the approaches inadequate in their explanations. For instance asserting that outcomes are determined by the structure historical institutionalism is flawed
in that it fails to take the ‘strategic nature of politics seriously’ because political outcomes do not necessarily “reflect the preferences of one actor or a group of actors, rather they are a product of many actors pursuing their interests” (Clark 1998). This brings about what Shepsle (1989) terms as ‘structure-induced equilibrium’ where “structure and procedure combine with preferences to produce outcomes.” To this end the “behaviour and institutions to be analyzed are so constrained by ongoing social relations that to construe them as independent is a grievous misunderstanding” (Granovetter 1985: 481-510). This has led to historical institutionalism accused of giving less attention to developing a ‘sophisticated understanding’ of the way institutions affect behaviour (Hall and Taylor 1996). Indeed Hall and Taylor note that some of the works on historical institutionalism are “less careful than they should be about specifying the precise causal chain which they are meant to explain” (1996: 17). Moreover historical institutionalism according to Hall and Taylor does not pay much attention to the formation of social coalitions (Ibid.). Yet coalitions are assigned ‘fundamental human characteristics’ that allow them to deliberate between alternative courses of action before settling on a best alternative that reflects the interests of the state or coalition before ‘imposing this alternative’ within the context of the institution (Watson 2005). Thus left alone self-interested maximising agents will suffer from collective-action problems (Blyth 2003), because institutionalists measure only the outcome and assume the process. It becomes important to explore the micro-foundations of institutions and try to explain what agents do and why they do it. It is to this critical point that we try and understand how SRA tries to conceptualise institutions.

Hay (1999, 2004c), Hay and Wincott (1998) and Jessop (2001b) use the SRA to try and develop an alternative explanation of institutions. Hay and Wincott argue that the prospects for interchange between the different forms of new institutionalisms are more limited mainly because they are based on a ‘mutually incompatible premise’ or ‘social ontologies’ (1998).
Indeed Jessop (2001b) raises the need to contextualise the institutional turn and proposes SRA as one dimension of a contextualised institutional analysis. For Hay and Wincott institutionalism can only develop its full potential by considering the relationship between structure and agency as a ‘central analytic concern’ (1998). This is because rational choice “strips away all the distinctive features of individuality, replacing political subjects with calculating automatons” (Ibid.: 151-157). The rational choice analysis is, therefore, divorced from ‘agent-centred individualist’ approach to ‘deep structuralism’ approach where the individual’s action is determined by the context and yet institutionalism should be explained as the product of some individual behaviour (Jessop 2001b). This is so because economic institutions are ‘socially constructed’ by “individuals whose action is both facilitated and constrained by the structure and resources available in social networks in which they are embedded” (Granovetter 1992: 3-11).

Institutions are therefore cognitive entities that do not exist apart from actors’ ideas about how the world works – they are a “function of what actors collectively know” (Wendt 1992). They are “the product of subjects making history, but not in circumstances of their choosing” Hay and Marsh (2000). Hay and Wincott (1998: 151-157) further argue that for historical institutionalism to claim to offer a “more adequate and complete theory of institutional formation, evolution and transformation”, it must be founded on a “distinctive social ontology” that counters the “creational bias” characteristic of new institutionalism. It is in this light that historical institutionalism is to confront the importance of institutional factors in the face of “behaviouralist tendencies,” which is the relationship between institutions and behaviour and “between context and conduct, structure and agency” (Ibid.). As a result institutions must not be reified but deconstructed because they involve the conduct of actors and their conditions of action as well as the “constitution of agents, identities, interests and strategies” (Jessop 2001b: 1231). As such, particular structures and institutions are “always
constituted in and through actions” and “always tendential” and ‘always in need of stabilisation’ (Jessop 2002). Jessop also argues that structural form and institutions never fully constrain actions because of the struggles in these structures and institutions (Ibid.). Thus the historical institutionalism approach can only be identified as a “coherent and consistent approach to institutional analysis” if it can overcome the dualism of institution and intention, context and conduct, and structure and agency (Hay and Wincott 1998: 151-157).

Hay and Wincott further argue that “change occurs in (and through) the same time inter-relationship between strategic action and the strategic context within which it is conceived and initiated, and in the later unfolding of its intended and unintended consequences” (1998: 151-157). Thus change (whether intended or unintended) is a consequence of strategic action “filtered through perceptions of an institutional context that favours certain strategies, actors and perceptions over others” (Ibid. p.151-157). As elaborated by Jessop (2001b) that because the production of structures is tendential so are their strategic selectivities; because structures are strategically selective there is always a way action can circumvent constraints; and actors face the ever presence of failure because of lack of full knowledge about the condition of the strategy action as well as opposition from other actors in pursuit of other strategies. More so institutions are characterised by structural contradictions and strategic dilemmas (see also Jessop 2004b, 2007). This means agents are capable of making institutions achieve a number of outcomes even though they have imperfect information about the various contingencies in which the bargaining will take place – that is unforeseen contingencies (Shepsle 1989).

Indeed Hay (2006b, 2002) talks of constructivist institutionalism viewing actors as strategically seeking to realize ‘contingent and complex goals’ in a context which favours ‘certain strategies than others and must rely on their perception of the context’. Under such circumstances, actors appropriate a structured institutional context which favours certain strategies over others. Actors do this by way of the strategies they ‘formulate or intuitively
adopt’ (Hay 1998:151-157). Nevertheless access to strategic resources and knowledge of the institutional environment is unevenly distributed thus affecting the actor’s ability to transform the context. Because actors are knowledgeable and reflective, they constantly monitor the consequences of their actions. This allows actors to assess the immediate and the unfolding impact of their prior strategies in relations to the earlier intentions and expected outcomes in view of the strategic assessment of the conduct of other actors (Hay and Wincott 1998, Jessop 2001b, 2007). As a consequence actors’ strategic action results in direct effects on the institutional environment and institutionalised context. This leads to a partial transformation of that institutional environment as well as strategic learning on the part of the actors involved.

More so because the strategies are selected on the basis of an always ‘partial knowledge’ of the institutional context within which the actors find themselves and the anticipated behaviour of others they constantly revise their perception. Indeed

“they revise their perceptions of what is feasible and indeed desirable in the light of their assessments of their own ability to realize prior goals (and that of others), as they assimilate new ‘information’ (from whatever external sources). And as they reorient future strategies in the light of such ‘empirical’ and mediated knowledge of the context as a structured terrain of opportunity and constraints” (Hay and Wincott 1998: 151-157).

Thus the actor as a result of its strategic action has an effect on the institutional context as well as strategic learning on part of the actor. Hall and Taylor (1998) and Risse and Wiener (1999) incline with Hay and Wincott, but as Gofas and Hay (2008) note there is the need for the further development of constructivist institutionalism that would focus on the social and political processes through which interests are identified and constructed and made actionable. However, constructivist institutionalism is still capable of bringing out some
insights regarding relationships in international institutions as I will try and show in chapters 4, 5 and 6. In the meantime it is important to look at the relationship between institutions, interests, the material and the ideational so as to fully understand the conceptualisation of institutions using the SRA.

The reason that power, interests and institution in political science have been treated to be idea free and as basis on which to judge ideas has led to a number of scholars Wendt 1999; Hay 2002; Gofas 2002; Gofas and Hay 2008; Risse and Wiener 1999; Lieberman 2002; Blyth 1997, 2003; Yee 1997; Schmidt 2008, 2009 and Marsh 2009 to reconsider the role of ideas in political analysis. This is largely because the mainstream political science use ideas in ‘causal terms’- as a variable explaining some proportion of behaviour ‘beyond the effects of power, interests, and institutions alone’ (Blyth 1997). Indeed Blyth 1997, Hay 2006b, Gofas 2002, Schmidt 2008 argue that the ‘new institutionalism’ does not treat ideas as ‘progressive extension’ of their research nor do they treat them as ‘objects of investigation’ in their own right. Instead the new institutionalism uses ideas to assist ‘other forms of explanation’ resulting in the ‘ideational turn’ to be understood as a situational solution to their research programmes – which makes it an inherent weaknesses (Blyth 1997). Moreover too much ideational scholarship in political science and international relations has resulted in “ontological and or epistemological” inconsistence because of its failure to reflect fully on the consequences of “taking ideas seriously” (Gofas and Hay 2008).

Even more, too much ideational scholarship has led to controversy over the subject – whether ideas should be accorded a causal role independent of the material factors or not” (Hay 2002: 205, Gofas and Hay 2008: 6). Under such circumstances, the definition, operationalisation and explanatory ability of ideas are derived from the wider theory in which they are ‘embedded’ (Blyth (1997). Also the choice of an institution determines the “type of ideas employed, their theoretical level, and their explanatory scope,” leading institutions to become
‘situated practices’ or ‘standard operation procedures’ and conversely the type of ideas identified as “basic causal variables” determining one’s choice of institutional framework (Ibid.: 231). Yet if we are to understand institutional changes we have to pay attention to the independent ‘causal and constitutive role of ideas’ (Hay 2004d). Taking the SRA approach it means that if we are to examine institutional evolution and transformations we have to turn to the relationship between the ideation and the material (Hay 2004d, 1999). Thus for Hay and Wincott “the political, the economic and the ideational” – as world views, cognitive frames and or bright ideas – all require analysis in terms of structure agency (1998: 151-157).

On the other hand Marsh (2009) argues that besides recognising the fact that ideas are not reducible to institutions/structures/the material, it is important to realise that the relationship between ideation and the material like that between agency and structure is dialectical – ‘interactive and iterative.’ Indeed Hay (2002) and Marsh (2009) argue that ideas provide the context in which ideas emerge and agents use ideas to interpret, and change the material constraints which in turn develop the context in which the ideas are developed. Jessop (2004a: 9) on the other hand refer to this link as ‘the dialectic of discursivity and materiality.’ However, for Marsh, the material and the ideational contribute to the explanation of outcomes (Marsh 2009). It is therefore important that as I examine institutions in this study, be they Mauritian trade policy-making institutions or the WTO, such an examination must not be divorced from our understanding on how actors involved in policy making conceptualise the contexts in which they make policy through a lens of a particular idea/policy paradigm and how the idea/policy paradigm is mediated. This is because Mauritian trade policy-making works within a framework of ideas from both the domestic and international realms in an attempt to satisfy the material interests and aspirations of ‘Mauritians and the development of Mauritius’ political economy.
1.9. Conclusions

In this chapter I have tried to unpack the Strategic Relational Approach as presented by Hay and Jessop for the purposes of using the approach to explain my claims in proceeding chapters. The chapter has introduced some basic features of the SRA particularly the dialectical relationship between structure and agency, the selectivity of the structure of certain actors and strategies, and the dialectical relationship between the ideational realm and the material realm. I have also tried to highlight the importance of the SRA in terms of conceptualising the state and institutions which are critical areas of focus in my study. Attention has also been given to the usefulness of the approach in examining policy change at the domestic level as it is influenced by global policy paradigms. The utility of using the approach in this study lies in the approach providing me with the ability to gather further insight about Mauritian trade policy-making/change and its relationship with the domestic context and the WTO institution. This I believe will in a way give an illustration of why and how Mauritian agents engage in the international political economy the way they do despite being constrained by the processes of deliberation and interaction with societal actors in negotiating and pushing for the development of the political economy of Mauritius within the international political economy. I hope such an illustration will be a useful example which makes a sound contribution to an alternative way of reconceptualising African states; explain why and how some African leaders might have greater influence on trade policy-making than others as they act in their different social, economic and political context; reconceptualise the WTO institution and explain how it is an uneven terrain that constrains African negotiators’ activities leading to negotiators opting for coalition strategy and contributing to the strengthening of such coalitions; explain the role of ideas in the development trajectories of African countries; and explain how global ideas are mediated by different African social, economic and political contexts in which they are situated.
Given my chosen lens I am going to claim in chapter 3 that the Mauritian economic, political and cultural context provides an environment for the adoption of trade policy as central to Mauritius development trajectories through four epochs. In chapter 4 I argue the Mauritian state can be identified as a set of structures that provides contexts in which policy-makers, negotiators, political elites, diplomats, civil society representatives and business representatives determine Mauritian trade policy albeit on uneven state terrain. The trade policy is then taken on board into the WTO by a number of negotiators acting on behalf of the state and not only by the political elites as suggested by the engagement school. I will go further to argue that the determination of Mauritian trade policy takes into account not only the interests of the political elites but the wider societal aspirations/interests (intentionally or unintentionally) as they act to develop Mauritius’ political economy within the international political economy. In chapter 5, I will use the SRA to show that Mauritian negotiators in the WTO act on an uneven terrain and that the WTO institutional structure selects certain kinds of strategy and agency over others. This helps explain why Mauritian negotiators and diplomats consciously opt for using coalitions as a strategy to enhance their ability to influence and possibly partially transform the uneven WTO context. As a result Mauritius makes certain contributions to strengthening coalitions for the purposes of trying to level the uneven ‘playing field’ as argued in chapter 6. The SRA is also used in chapter 7 to argue that Mauritius engages with the ideas of trade liberalisation policy paradigm as provided by the WTO which are mediated by the Mauritian political, economic and social context in which they are situated. Under such circumstances, the ideas of trade liberalisation as outlined in the WTO becomes a ‘lens’ through which Mauritian agents involved in trade policy-making view the international political economy context in which they find themselves, acting in a manner that is consistent with trade liberalisation. However, before I do this I turn to pre-existing debate on the role of African countries in the international political economy.
CHAPTER 2

AFRICA IN THE CHANGING INTERNATIONAL POLITICAL ECONOMY

2.1. Introduction

Having set out the core theoretical framework that will guide this thesis, I will now turn to the debate surrounding the positioning of Africa in the international political economy. By and large Africa’s place in the world order is an issue that has been under discussion for decades with two broad approaches emerging: marginalisation and engagement. This chapter outlines and interrogates the debate in the context of a changing international political economy characterised by intensified globalisation and international trade liberalisation – which have meant transformations in African politics (Davies 2010). I will argue that the debate although relevant to our understanding of the position of African countries in the international political economy offers little attention if any to the broader spectrum of human actors in their relationship with the contexts in which they are situated as they engage in the international political economy. I also argue that the debate fails to underpin the importance of the link between domestic processes of policy-making and the processes of engagement in the international political economy, both of which involves a variety of human actors. I will start by giving an overview of the dominant literature discussing the main issues as outlined by the marginalisation and the engagement approaches, the way they have been presented and their continued relevance to the African situation in the changing international political economy. By doing so, I hope to expose the logic behind the approaches in explaining Africa’s relations

15 For the purpose of this study I am in agreement with Hay (2002), Wincott (2003), and Smith (2005) of the absence of ‘genuine’ or ‘truly’ global tendencies to explain globalisation but the existence of a confluence of processes which might be seen to constitute an “observed globalisation tendency.” I focus on international trade liberalisation under the WTO to show the importance of trade as a variable in the study of Africa in the international political economy. It also helps me in exposing the transformation of the manner in which African countries engage in the international political economy, as active and influential players in their own way.
in the international political economy. Lastly I will try and make a critique of the literature whilst at the same time drawing in the SRA as an alternative explanatory lens.

2.2. African marginalisation

The views on the marginalisation of Africa in the international political economy (Nyerere 1975, 1977, Adedeji 1993, Okibo 1993, Rasheed 1993, Mazrui 1994, 1999, Hyden 2000, Nabudere 2000, Rugumamu 2001 and Cooper 2001) stem from the relationship of unequal partners with African countries being the weaker partners. Such a relationship perpetuates continued domination of African countries by major global powers and external agencies owing to an “inhospitable and inequitable external environment” (Rasheed 1993: 41-58). The unequal relationships also provide perfect conditions for marginalisation because marginalisation is “synonymous with the relative or absolute lack of power to influence a defined social entity while being recipient of the exercise of power by other parts of the entity” (Adedeji 1993: 1-14). This has led to a “process of exclusion especially by relegation to the outer edge of a group” (Chinery-Hesse 1993: 141-152) – leading to political and socio-economic disempowerment of African countries (Okigbo 1993). Indeed Adedeji notes that marginalisation has led to the movement of resources northwards and of “crucial decisions with global and national impact” southwards (1993:207-222). Does this mean a zero-sum game to the point of African countries unable to decide for themselves let alone contribute to decisions at the global level?

By and large African marginalisation theorists were looking for an international theoretical orientation that brought into perspective “the interrelationship of internal and external variables,” most important the levels to which the “dynamics of the international capitalist economic system resulted in continued exploitation and underdevelopment of the entire continent” (Anunobi 1994:xv1). However it is important to note that in their search for an
international theoretical orientation of African countries in the international political economy, they fail to explore the two way flow of resources and decisions albeit the asymmetrical power relations. Instead they view Africa as a subject of marginalisation and thus fail to explain the engagement role played by African countries in relation with developed countries in the context they find themselves. For example the export led growth in the 1980s saw African countries demanding a fair share of market access for African products with mixed outcomes.

For the marginalisation theorists, the major turning point in the marginalisation of African countries was between 1973 and 1982 when African economies showed their fragility and dependency on the developed economies – plunging from “crisis to catastrophe” (Okigbo 1993: 28-38). This led to an increase in official development assistance (ODA) much of which was in the form of food aid and expatriate technical assistance to fill in the gap left by the brain drain (Adedeji 1993). More so donor dependency brought with it “donor ideology hegemony” (Harrison 2004:89) in which donors wanted to fit in certain parts of a country programme that suited their particular development ethos. On the other hand, Hyden (2000:24) is of the opinion that the international community has failed to engage African societies to move towards modernity allowing African priorities as guides to the “international community’s conditions for aid to Africa.” Such conditions have led to the loss of political sovereignty by African states, i.e. the “Banker’s Boast” (Cooper 2001) which was not helpful in strengthening Africa’s ties with the rest of the world. Such conditionality ensures increased Africa economic domination by external powers creating conditions of neo-colonialism leading to African protecting “their sense of ownership but also endangering the process of integration into the modern world” (Hyden 2000: 25).

I borrow the meaning of development form Lumumba-Kasongo (2002) that the concept includes the fulfilment of basic necessities of everyday life. I also use the UNDP Human development index to incorporate none income dimensions in measuring development. This does not in any way exclude the productive dimension of development. See Chang (2010) on the importance of including the productive dimension when defining development.
The introduction of structural adjustment programmes (SAPs) superimposed on African countries as a panacea to the African crisis through International Finance Institutions (IFIs) entrenched marginalisation but the “medicine was about to kill the various patients” (Zack-Williams 2002:1-15). The situation was made worse by the fragility of African states after 1979, creating an “unprecedented opportunity for external regulative intervention expressed through these institutions” (Harrison 2004:63). SAPs helped create a local international class which was responsible for a reverse flow of capital from Africa to developed countries thereby accelerating the marginalisation of Africa (Ibid.). The advice to focus on ‘tradeables’ to generate hard currency for debt servicing (George 1993, Shaw 1993) was done at the expense of infrastructure, hospitals, schools, and other non-tradeables, and indeed to the development aspirations of African countries. Moreover the export-led strategy was a failure because of export reliance on commodities; a significant decline in the global market share for developing countries owing to a persistence of recessionary trends and the rise of protectionist barriers in the North; and the formation of regional trading blocs thereby narrowing the South’s and indeed Africa’s access to international markets (Yaker 1993: 126-132). As argued by George (1993: 59-72) there was no valid economic reason for the rich world to have “made Africa drag its debt burden so far, for so long” because the African debt was so insignificant rendering it illogical to “grind down” the continent – bleeding the continent “dry” in order to reimburse creditors in the North.

According to the marginalisation theorists the post-Cold War period witnessed the continent being “increasingly pushed to the edge of the world economy and community” (Chinery-Hesse 1993: 141-152) as well as being “more and more delinked from the main thrusts of the world economy”(Emmereji 1993: 97-117). Indeed Emmereji argues that the political and economic restructuring of Eastern Europe has further strengthened Africa’s marginalisation. This is due to dwindling attention from the developed countries in terms of foreign direct
investment (FDI), food aid, trade commercial credits etc; “even in multilateral organisations there is reduced attention in terms of real support,” tantamount to a situation where Africa is “virtually ignored” (Ibid: 97-117) – which Mazrui (1994) referred to as ”global apartheid.” Thompson (2000) on examining the development of a European Union (EU) is convinced that the EU became “more of a priority” for Europe than perpetuating links with former colonies. There was also acute competition for political and economic power among these major global contenders, the United States, European Union and Japan, with other regions such as East Asia, China, Russia and Eastern Europe having the potential to mount serious economic and possibly political challenges to the post Cold War World order (Ndiyaye 1993). Africa is not accounted for in this puzzle of the post Cold War World Order so much that the reality facing Africa was that of prospects that were “bleaker than ever before,” at a time when it was already the world’s poorest region and “falling further and further behind all other regions of the world” (Meredith 2005: 681). However, there is an inherent weakness in assuming that African countries were passive and doing nothing to improve on their competiveness but relying on outsiders and that developed countries are making the prospects of Africa “bleaker.” This is because of a number of policy reforms aimed at improving competitiveness as I shall show in the case of Mauritius.

The marginalisation argument goes further, that African countries saw the dominance of a single ideology - neoliberal ideology - imposed on the other regions and nations as a response to crises in the world. This resulted in IFIs and multilateral institutions such as the WTO increasingly becoming “instruments for governing other countries” imposing decisions which are made by a handful of countries (Abdulai 1993: 169-178). According to this view, these institutions are driven by the dominant neo-liberal ideology that is now entrenched in these institutions with consequences for African countries. As Harrison (2004:62) argues, “there was no region of the world more vulnerable to these global regulative changes than Africa.”
Harrison further notes that due to the “donor ideology hegemony”, country strategy plans are produced for presentation for donor funding with an “eye to the international orthodoxies within which donors work” making it difficult to separate an external from a national interest (Ibid: 88). As a result, donor influence under such circumstances does not work against the state and the state itself does not have “any distinct a priori opposition to the global hegemony of neoliberal and governance” (Ibid: 89).

The marginalisation approach further argues that Africa has not made any gains from globalisation but has continued to be further marginalised (Adedeji 1993, Emmeriji 1993, Mazrui 1999, Cooper 2001, Hoogvelt 2002, and Meredith 2005) – with every stage of Africa’s contribution to globalisation being a stage in its own marginalisation (Mazrui 1999). As Meredith (2005: 682) asserts, Africa has “found itself on the losing side of globalisation, lacking both skills and the infrastructure to attract the multinational corporations that drive it.” This view is supported by Adedeji (1993: 1-14) that globalisation has “accentuated severely the marginalisation process,” through prescribed national economic policies that have led to “reduced state intervention, reduced subsidisation and increased privatisation.” This has led African countries caught inside a dialectical relationship between a punitive openness of global market and lack of state autonomy resulting in a relationship of “globalising deglobalisation in Africa or of distorted globalisation” Cooper (2001: 3). The result according to Emmeriji (1993: 97-117) is a three-speed world economy in which Africa is the slow track and moving in the opposite direction of fast track countries thereby reaping the negative effects of globalisation (Pokote 2000: 12). As put by Hoogvelt (2002: 15-28) that the past two decades have witnessed a relative decline in Africa’s positions with respect to trade and investment vis-a-vis all other regions of the world; with Sub-Saharan Africa’s share of world export declining from 3 percent in 1950 to 1.5 percent in 2002 with a similar trend for its share of imports. Such a development according to Hoogvelt demonstrates “how Africa’s
marginalisation today fits in with, or is a counterpart of, globalisation” which can be “conceptualised as a process of exclusion” (Ibid: 15-28). As a result Africa is the “switched off” region of the world (Ibid: 15-28).

But a closer look at trade figures gives a different picture from that given by Hoogvelt. The value and share of African merchandise exports and imports show a decline from 8.005% in 1948 to 2.067% in 1999 followed by an increase to 3.522% in 2008 (Figure 1). On the other hand the values in terms of earnings in US$ has been increasing with a drastic fall in 2009 (Figure 2) probably due to the financial credit crunch that affected most developed countries which form the largest destination of African exports. If we are to follow the logic of the marginalisation approach it mean that from 2000 to 2008 Africa has been integrating in the international political economy as reflected by an increase in its percentage share of merchandise trade. Indeed the UNECA (2009a: 27) argues that in 2008 Africa remained a marginal player in world trade because of the lack of diversification in terms of production and export by African economies and not because they engage less with the international political economy.
Figure 1: Africa Value and share of merchandise exports and imports, annual 1948-2009: Percentage of total World Trade

Source: UNCTAD

Figure 2: Africa Value and share of merchandise exports and imports, annual 1948-2009: US$ at current prices and current exchange rates in millions

Source: UNCTAD
Moreover the marginalisation argument as presented above has gaps and indeed problems in that neither the neo-liberal ideology nor the economic policies were imposed on all African countries. In Zimbabwe the national economic policies were not prescribed or imposed but were home grown albeit in relation to the dominant global policy paradigm and funded by the IFIs\textsuperscript{17} – South Africa started its own GEAR programme (Taylor and Nel 2002). Indeed Sally (2004:105-119) argues that the bulk of unilateral liberalisation in developing and transitional economies has been driven by domestic political momentum as well as external pressures. Nevertheless when such policies failed to work culminating in widespread hardship and discontent, the blame was placed on the financiers and indeed globalisation. Globalisation becomes an alibi that in an era of globalisation politicians hands are tied by processes beyond their control (Hay 1996, 2000, 2006a).

Besides blaming Western countries and the international political economy for marginalising Africa, the marginalisation approach argues for the internal marginalisation of people in African countries. This led to “persistent socio-economic crisis, pervasive poverty and a contracting domestic productive base, which accentuates the marginalisation process at the international level” (Adedeji 1993:1-14). Indeed Nyerere (1967) once asked how Africa could be marginalised if Africa did not marginalise itself. In other words there is a link between external and internal marginalisation. The internal marginalisation is blamed on the politics of the ruling elite which is concerned only about its own political survival (Oakland 1998). This in a way is because many African leaders “apart from being illegitimate rulers are still steeped in the chaotic ideologies of gangster politics, village and tribe advancement, self-aggrandisement, ego-boosting, cross-border destabilisation and wars and idolisation of neo-liberal norms and values” Pokote (2000: 12). This lack of stable democracies, political

\textsuperscript{17} Knowledge acquired by the author as part to ESAP and ZIMPREST programmes in Zimbabwe in the 1990s working as a policy-maker in the Ministry of Industry and Commerce at the time.
accountability and the respect for human rights and the rule of law are at the “heart of the continent’s marginalisation” (Rasheed 1993:41-58).

Nevertheless by putting much attention, emphasis and focus examining external and internal structural factors, marginalisation scholars do not fully examine the relationship between African elites and the conditions in which they find themselves. This gives us an inadequate account on the engagement of African countries in the international political economy. This is because the approach explains the behaviour of African actors as determined by the structure, which means that African actors have no influence on the political outcome. Yet African actors have had influence on political outcomes in African states and indeed in the international political economy. As a result a number of questions remain unanswered. For instance how can we relate the domestic marginalisation of peasant farmers to the marginalisation of African countries in a changing international political economy? Is it only a result of the conditions in the international political economy, ruling elite having the same interests as international capital or there are other reasons? Is domestic marginalisation sustainable in a changing international political economy? If so why and how? We therefore need to explain why and how African countries relate with the international political economy in the way they do by examining the relationship between the actors and the structures and the impact of both ideas and deliberations as constraints upon actors. This is because there is always a relationship between the domestic and the international realms in which African actors interact as the domestic and the international realms interact.

2.3. African Engagement

Engagement scholars (Clapham 1996, Thompson 2000, William and Taylor 2000, Gayama 1993, Taylor and Nel 2002), besides borrowing certain aspects from the marginalisation theorists, offer a direct response and counter argument to the marginalisation approach. The
engagement approach argues that Africa’s disadvantage in the international economy “cannot be offered as a comprehensive explanation of the continent’s position” (Thompson, 2000:189). For the African states and the state elites, the approach was “about adaptation, evasion, stalling and collaboration” (Ibid: 180). Gayama (1993:73-77) on the other hand argues that African marginalisation is a perception especially as more and more African countries joined the family of nations within the United Nations, IFIs, Non-Aligned Movement (NAM), “Africa’s voice could no longer be said to be marginal.” For instance Africa contributed to the shaping of NAM as a buffer between two contending ideologies.

Africa has been seen as engaging in the international political economy for various reasons with the major reason being to ensure the survival of the state and the ruling elite (Clapham 1996 and Thomson 2000). 18 African states shape and define the policies of external agencies by virtue of ensuring their survival and that of their ruling elite. Clapham (1996) argues that African states have survived in a world of domination especially in the post independent era by the privatising or ‘de-stating’ of African relations in the international system. This implies that Africa has participated in the shaping of the international political economy through the activities of political elites. Thus the reason for the survival of the African state in the international system can be sought from examining how African leaders have been able to balance the relationship between their domestic and external environments in a global system in which their power was insignificant (Clapham 1996). Thus for the engagement approach the causal factors for engagement in the international political economy lie with the ruling elite interests and those of a client-patronage system. As argued by Hyden (2000), that the dialogue between the bigger powers and Africa has been confined to groups of elites without trickling down so much that dialogue ends up in international organisations rather than domestic organisations working to improve society. However, such a focus on the interests of

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18By and large African states are conceptualised as neo-patrimonial, a concept which needs revisiting if we are to understand the different types of states in Africa as I will try and argue in chapter 4.
a few individuals fails to offer an understanding of the interests of a lot more others. It also masks our understanding of the link between domestic processes of policy-making and the engagement processes. It becomes imperative to examine the contributions of a broader spectrum of actors in policy-making and engagement in the international political economy.

The granting of independence to Africa as argued by Tordoff (1997:25) “did not lessen the newly independent African states’ incorporation into the international economy.” Instead links between some African states and former colonial powers remained so close despite the dependency relationship to the extent that in the economic field more African states had ties with outside states than they had with each other. As put by Clapham (1996) that African states assumed a critical position in the external relations of the continent but this has been done not as a building block but as competitors for external resources with varying degrees of engagement resulting in them being affected deeply but differently. In other words, both pre-independent and post independent Africa was incorporated into the global capitalist economy, which was in no doubt dominated by Western countries. As argued by Bracking and Harrison (2003) that capitalism continues to connect African societies to a “complex, combined and uneven” international political economy. Thus Africa has engaged in the global economy as a weaker partner but not a passive one. For instance despite this weaker position, during the Cold War period Africa was drawn into the East-West conflict through proxy wars and African countries played one patron against the other in an effort to secure concessions from external powers; actions that demonstrate Africa’s influence on the policies of external powers. Such material support made considerable difference in propping up African regimes by supplying the resources which were scarce in their own societies (Clapham 1996, Tordoff 1997). At the same time African countries have to some extent been involved in the flow of “ideas and goods” with the major continents. This means that Africa has been involved in international politics and the changing power configuration in the international system. Thus
African countries are players in their own right with considerable influence on the society of states in the international system, including international organisations.

Indeed since independence, African countries have employed strategies in the international system which for Anunobi (1994:388) “alternated between seeking to transform the global system and seeking to accommodate it.” Early years of engagement saw a number of African leaders striving to become world statesmen. For example Kwame Nkurumah offered himself for mediation in international crises such as the Sino-Soviet dispute and tried to mediate in the Vietnam War in 1966 (Meredith 2005). Evidence for Africa’s involvement in the international political economy is shown by Africa’s participation in the New International Economic Order (NIEO) that sought to answer questions raised by least developed countries (LDCs) with regard to the international economic system. NIEO also demanded assistance from the North and a restructuring of the existing international economic system to meet the economic interests of LDCs (South Commission 1990, Anunobi 1994 and Meredith 2005). This was because African countries believed that joint action with other developing countries through the establishment of NIEO formed the basis for the restructuring of African external economic relations (Anunobi 1994:405). As a result, Africa and other developing countries through NIEO managed to establish developing countries economic-political preferences “alongside East-West issues and intra-Northern economic priorities in contemporary international political economy” (Ibid.:413). Some of the changes in the international political economy brought about by NIEO in favour of Africa and other developing countries included; international intervention for the stabilisation of commodity markets; decision by some developed countries to write off the debts of poorest countries and guidelines for debt rescheduling which were “adopted in the Paris Club” (South Commission 1990:218). Thus even though Africa was not part of the Paris Club it managed to influence the adoption of a decision in the club. This study argues that such gains by Africa signify structural political
changes at the international level which can be fully explained by examining the relationship between the structure and African actors. It also signified the growing political influence by African countries in having the developed countries making decisions in favour of Africa.

Unlike the marginalisation approach, the engagement approach saw SAPs as sources of economic, social and political negatives which some African government elites saw as an ‘external intrusion’ to be ‘tamed’ by merely not implementing SAPs conditions leading to a change of policy by IFIs to non-conditionality (Thompson 2000). This led to IFI creating governance states (Williams and Taylor 2004). At the same time the African ruling elite saw the IFIs and Western governments as sources for their livelihood to sustain the remaining client-patron relationship in a bid for survival (Thomson 2000). This led to a number of African countries redirecting their development strategies from Marxist approaches towards strategies that employed the use of market mechanisms and at the same time strove to re-orient the role of the state in the economy (Paulson and Gavin 1999). Under such circumstances, the African elites were in a way forced to keep the IFIs and Western governments happy through “adaptation, evasion, stalling and collaboration” (Thomson 2000:180). This allowed a degree of sovereignty to ensure that the African elites partially managed to “ride out the attentions not only of the IFIs and their SAPs, but also those within domestic civil society as well” (Ibid: 181). However, this argument requires further examination to establish whether the introduction of market mechanisms had an effect on the client-patronage relationship. If so why and how? For instance was there an expansion of the client-patronage relationships to other social groups and individuals? If so did this lead to change of strategy in the international political economy? These are some of the questions that I will try to answer in my study.
For the proponents of African engagement, the post Cold War era did not entail increased marginalisation but rather “restricted opportunities for foreign patronage,” forcing African states to rely on external agencies (Thompson, 2000:189). This has been done through the regular adjustment or rules governing the IFIs and the WTO through adding new provisions aimed at achieving the objective of the most influential countries. However, Africa can only be marginalised “if it allows itself to be marginalised in the decision-making process of these institutions” (Gayama 1993:73-77). This is because Africa can have favourable decisions made in these institutions through collectively adopting a united and coordinated approach. Because of this potential within Africa to influence decisions in its favour, Africa’s marginalisation becomes a “perception and not a process” (Ibid.). As Shaw (1993:78-93) puts it that the work of external agencies cannot be sustained without the involvement of Africa for “without Africa’s needs such agencies would be more vulnerable at home.” This means that Africa does have a part to play in the international political economy despite conditions that militate against African engagement. But we have to explain why and how, and our answers should not be half baked as the case with the engagement approach which focuses on political elites. This is so because it is not possible for the elites to realise their intentions without some conception of a context.

Davidson (1993:17-27) thinks Africa wasted 30 years “with ineffective nation-building efforts” adopting policies that were “far from social needs and development relevant.” Indeed Zack-William (2002:1-14) talks of Africa not having “serious attempts” to transform the African economy. As a result, the dominant trend in Africa is that of “unremitting economic and human crisis and growing marginalisation” (Rasheed 1993:41-58). The same can be said in the era in which neo-liberalism is “the only game in town” with regards to fostering economic growth and development (Williams and Taylor 2000: 21-40). Yet Africa has tried alternatives such as African Alternative to Structural Adjustment Programmes (AASAP) and
UNESCO’s “adjustment with a human face” which failed to materialise in any significant way. Instead Africa has now willingly tried to engage and mediate with the neo-liberal ideology as signified by the New Partnership for Africa Development (NEPAD). Despite NEPAD being seen as a project of the petty bourgeois class in Africa whose interests are linked to the neoliberal project (Adesina 2002, Taylor 2001, Taylor and Nel 2002), it also signifies the change of the African socio-economic and political framework and structure to embrace the ideas of neo-liberalism. This demonstrates the fact that African elites are still part of the social forces promoting liberalisation of trade and movements of capital in the changing international political economy. But are the elites the only actors/agents and are they serving their interests only?

As argued by Taylor (2001: 1-23) and Taylor and Nel (2002), the NEPAD agenda sends a message that fits the neo-liberal discourse and thus avoids blaming particular policies and global trade structures on African marginalisation but pushes the blame on globalisation. At the same time, NEPAD publicised its commitment to the developmental needs of the African people. NEPAD posits Africa as an expanding and prosperous market alongside Europe, Asia and North America. Africa is therefore engaging the developed world on its own terms arguing for liberalisation and free trade and for globalisation. However, Taylor (2001) argues that the engagement benefits the privileged elites who have the potential to benefit from globalisation. Taylor also talks about the formation of a global elite class, which includes the elites from developed and developing countries to serve international capitalism using global institutions such as the IMF, World Bank and the WTO (see also Taylor and Nel 2002 and Nabudere 2000). Such a class has forged common values and interests that “transcend petty and immediate strategies” (Taylor 2001:1-23). But the ruling elites are no longer only concerned about their own interests but making attempts to get involved with national interests as well (Ibid.).
Like Taylor, I argue that the elites are unlikely to serve their interests alone but take on board (intended or otherwise) some of the national concerns of their people. This is particularly due to the limitations placed upon the elites by the process of deliberation and interaction with societal actors. More so there has been a reconfiguration of the African elites in recent years due to Africa’s engagement with globalisation comprising “transnational executives and their affiliates, globalising state bureaucrats, capitalist inspires politicians and professional and consumers” who play an important role in policy formation and implementation (Taylor 2001, Taylor and Nel 2002 and Kotze’ and Steyn 2003 and Leftwich (2010). Indeed Kotze’ and Steyn (2003) argue that the elites in Africa have become societal agents through which forces such as ethnicity, religion and class are transmitted to ordinary people. As I will argue later in chapter 4, given such changes in the composition of the elites, public policy is no longer a product of political leaders’ interaction, reflecting their attitudes, interests and values but muted in a discursive manner with various stakeholders including civil society albeit on an uneven terrain. As such it is critical to examine the engagement of Africa in the international political economy taking into account the changes in the composition of the African elites.

Moreover the elites do not sing the same song when it comes to policy-making. As argued by Taylor and Nel (2002: 166) the African elites today are not a ‘monolithic bloc’ advancing a common agenda but competing for domination. For instance, Taylor (2001) talks of the internal division between inward-looking and externally-oriented factions of national elites. The outward-oriented elites would like to ensure that trade policy works. But the African political elites have also demonstrated widespread uneasiness at the social cost of liberalisation and economic restructuring as well as growing protest against trade liberalisation thus threatening the position of outward oriented elites. This has in a way persuaded the elites to adopt a mandate that improves (intended or otherwise) the lot of marginalised and dispossessed people whilst at the same time serving their own interests.
This is also partly due to the realisation by political leaders that it is unlikely that voters will vote for austerity due to economic adjustment. In an effort to ameliorate the austerity conditions, the African elites are taking on board the concerns of their people and also demanding greater input in managing the global economy as they push for the development of the political economies of their countries within the international political economy. This view goes beyond the original engagement approach in that it tries to incorporate the interests of ‘others’ other than the client-patronage. However, I argue that this is not a new approach in Africa having been tried by a number of African countries Zimbabwe, Zambia and Mauritius with Mauritius having been doing this successfully for over four decades. But this is a research area worth pursuit given that other African countries are adopting this approach particularly in trade policy-making as I shall show in the study.

Thus for the engagement theorist, Africa is not a passive actor that is being marginalised but rather it is involved in shaping the international political economy. As discussed above, Africa has always been engaged through its own actions and contributions to the international system and continues to be engaged though at lesser magnitude compared to global major powers. Yet by focusing on the political elites, the engagement approach fails to completely capture this participation and the importance of the African agency in relation to the international political economy. They give us insufficient accounts which as I shall show below can be fully explained by using the SRA.

2.4 A critique of pre-existing debate

Pre-existing literature on Africa’s engagement in the changing international political economy as presented above is characterised by considerable shortfalls. In particular the different approaches give us inadequate accounts and mask some important issues underlining the engagement of Africa countries in the international political economy. This is because they
fail to capture the importance of a variety of human actors in their relationship with the contexts in which they are situated as they engage in the international political economy. By looking at the structure as determining the way African countries engage with the international political economy the marginalisation approach tells us that the conduct of African actors tend to be ordered. More so such emphasis entails that political behaviour is predictable and yet this is not the case in the real world as I will try and show in this thesis. This is because the social, political and economic context is not structured in a “determinant sense.”

On the other hand the engagement approach by focusing on the activities of the political leaders give an inadequate analysis as the political conduct of these actors can be found in the contexts in which they are situated. This means that for analytical purposes the marginalisation and the engagement approaches appeal to structural factors and agential factors respectively regardless that both sets of factors can be found in the contexts which interest them. Inevitably they decided to choose to appeal to seemingly oppositional sets of factors in their explanation of the position of African countries in the global economy yet it might be difficult to separate the two in our explanation. As such adopting either of the explanation presents an inadequate explanation in itself. For instance to argue that African leaders cannot act differently due to the conditions of the international political economy might not be correct because the leaders are not just conscious of the international political environment but are also ‘reflexive strategic actors’ capable of behaving differently and yet decide not to. This means that structural and agential factors must not be seen as ‘oppositional’. Under such circumstances it becomes important to look at the interplay between the structural factors and agential factors in any given engagement process. It is in view of this inadequacy that I seek to interrogate the marginalisation and engagement approaches in their explanation of Africa’s position in the international political economy by
using empirical analysis from Mauritius to try and highlight their interrelated structural and agential dimensions.

Another major weakness emerging from the conventional literature is that it pays little attention if any to the broader spectrum of African human /actors in their relationship with the contexts in which they are situated as they engage in the international political economy. They also fail to underpin the importance of the link between domestic processes of policy-making and the processes of engagement in the international political economy, both of which involves a variety of human actors. Yet in recent years there has been increased engagement by a variety of Africa human actors in view of the changing international political economy and the changes in the composition of the ruling elite. This it can be argued, has allowed domestic processes of policy-making and engagement in the international political economy to cease to be a prerogative of the political leaders to include a number of interested stakeholders. Yet pre-existing literature does not adequately address these issues. But by examining these processes of policy formulation and engagement in the international political economy we are able to have a complex understanding of how we as individuals reproduce, transform and reshape the conditions in which we find ourselves. It also allow us the chance to try and show that the constraints placed on African elites by the process of discussion and interaction with societal actors ensures that the elites act in accordance (to a degree) with the wider societal interest (whether intended or unintended) as they negotiate and pursue the development of their countries’ political economies in the international political economy.

Moreover much of the literature tends to be general with few attempts to examine specific countries in detail. Yet the domestic conditions differ with different African countries and their response to the external environment differs as well. Such a sweeping generalisation
about the political, economic and social landscape in Africa ignores the reality that African
countries differ both in terms of their historical experience and their domestic context
(Mukand and Rodrik 2005, Von Doepp 2009). The literature also overlooks the relationships
between African human actors and the role they play in the engagement of African countries
in the international political economy. The interaction between these actors and the
conditions which surround them bring different patterns of change and the way each country
engages in the international political economy. It is therefore important to acknowledge and
examine the relationship between African human actors and the contingent characters of the
social, political and economic systems both at the domestic and international levels.

The debate also fails to show the relationship between ideas, the material and interests in the
manner in which African states relate with the international political economy. For instance
Lavelle (2005) questions the whole issue about the importance of ideas giving, among other
reasons, the intellectual marginalisation of Africa (see also Thomas 2004 and Harrison 2004).
However, this does not entail that African states lost their influence at the international level
“because certain ideas carried the day, but because elements of both the nation state system
and international capitalism altered the context within which states make decisions” (Ibid: 25-
50). Moreover the deliberations and ideas that carry the day can be both a constraint and
enhancer on African actors’ activities in the international political economy – issues we
should examine when we explain the engagement of Africa in the international political
economy. Thus besides constraining African activities in the international political economy
ideas also inform African actors about the environment in which they operate and the
strategies available in their attempt to realise their intended outcomes. As such the ideas
inform and help in enhancing the capacities of actors as they engage in a given context as well
as constrain their activities. For example as shown in Table 1 Africa received the majority of
WTO’s Trade Related Technical Assistance (TRTA) activities, 131 activities, representing 29
percent of WTO TRTA some of which has been used by African countries to enhance their negotiating capacities (Lee and Smith 2007:12).

Table 1: Trade –Related Technical Assistance by Region in 2009 (1 January to 31 December)

<table>
<thead>
<tr>
<th>TRTA By Region</th>
<th>National TA</th>
<th>Regional</th>
<th>Global*</th>
<th>Other(Conferences, etc)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>67</td>
<td>36%</td>
<td>36</td>
<td>1 2%</td>
<td>131 29%</td>
</tr>
<tr>
<td>Arab and Middle east</td>
<td>10</td>
<td>5%</td>
<td>23</td>
<td>0 0%</td>
<td>26 6%</td>
</tr>
<tr>
<td>Asian and the Pacific</td>
<td>58</td>
<td>31%</td>
<td>28</td>
<td>0 0%</td>
<td>103 22%</td>
</tr>
<tr>
<td>Central and Eastern</td>
<td>18</td>
<td>10%</td>
<td>9</td>
<td>0 0%</td>
<td>30 7%</td>
</tr>
<tr>
<td>Caribbean</td>
<td>9</td>
<td>5%</td>
<td>12</td>
<td>0 0%</td>
<td>23 5%</td>
</tr>
<tr>
<td>Latin America</td>
<td>23</td>
<td>12%</td>
<td>13</td>
<td>0 0%</td>
<td>45 10%</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>185</strong></td>
<td><strong>100%</strong></td>
<td><strong>111</strong></td>
<td><strong>1 2%</strong></td>
<td><strong>358</strong> 78%</td>
</tr>
<tr>
<td>Global</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>65 98%</td>
<td>101 22%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>185</strong></td>
<td><strong>100%</strong></td>
<td><strong>111</strong></td>
<td><strong>66 100%</strong></td>
<td><strong>459</strong> 100%</td>
</tr>
</tbody>
</table>

Source: WTO

*Activities under the TRTA Global region includes those that are not targeted at a specific region, such as the Geneva-based courses and the topic-specific workshops and symposia, distance learning., internship programmes and advisory role on legal issues – dispute settlement understanding (DSU) – Article 27.2

Again African actors have used ideas to gain advantage in some situations such as unifying coalitions that helps bring about better chances of having their ideas accepted and embedded into policy (Lavelle 2005). Indeed as I will argue in the thesis, the WTO is a forum in which African countries can project their ideas regarding development. According to Lee (2007:137-154) such a projection of ideas and active participation in trade negotiations contribute to the slow transition of Africa from an “object of trade negotiations (a passive victim or receiver of the decisions of economic diplomacy) towards a subject of international
trade negotiations (enjoying participant status in the deliberations), albeit in a limited way.”

For Lee, this is in contrast to G8, G20 and World Economic Forum (WEF) summits in which Africa cannot influence the decisions affecting the continent’s development.

Contrary to the marginalisation scholarship some of Africa’s ideas have been incorporated in international policy in recent years because of the changing or shifting context. For example the ideas about debt forgiveness and debt relief have recently carried the day because “discussions have moved out of state-to-state context” (Lavelle 2005: 25-50). Moreover African actors like any other actor have the capacity to learn and are able to understand the context they find themselves. Hence African countries changing form of engagement at different stages in the transformation of the international political economy. As a result, Africa’s engagement has been a consequence of African human actors’ knowledge of the context that has evolved over time. Nevertheless in an international system where there are many actors, African countries might have been victims of consequences of intended and unintended action of other actors also aiming at realising their intended outcomes. The consequences might have affected African countries a great deal because of taking ideas that are not relevant to them. It is my view that this led to African countries devising other ways of addressing this anomaly. For example pro-activism and effective influence in the WTO decision-making process and mechanism coupled by persistent requests for technical assistance to develop capacities seems to be one alternative.

Bearing the above in mind, I submit that the marginalisation or the engagement of Africa in contemporary international political economy must be sought from the activities of all actors and not just political leaders, and their relationship with both the domestic and external contexts in which they are situated. This is because of the transformative aspect of the international political economy which is in constant flux and change, thus creating
opportunities for co-operation; contrary to the marginalisation approach that assumes power to be ubiquitous and structural in nature and the engagement approach that examine the engagement of Africa in the voluntarist sense. Exploiting this intellectual vacuum, I intend to demonstrate that the engagement of African countries must be sought in the political and economic dimension of a changing world order. Such a changing global economic context poses greater challenges for Africa as argued by Ndiyaye (1993:118-125) that in a changing world African states “must now seek ways and means of ensuring that they are not neglected to a secondary or tertiary status, or ignored altogether.” Indeed changes in the world trading patterns and in the substance of that trade have created widespread discontents especially in developing countries whose populations believe such changes favour the interest of others than their own (Das 1999). Because of this it is critical to examine wider societal interests/aspirations which in this thesis calls for examining the relationship between material, ideas and interests in the way African actors engage in the international political economy.

My intention is to make a contribution to the debate on the position of Africa in the international political economy and show that the engagement of Africa in changing international political economy goes beyond the ruling elite interest and takes into consideration the interest of other African economic and political groups and local people in general. I attempt to use the SRA to interrogate the marginalisation and engagement approaches and use empirical analysis from Mauritius to try and highlight their interrelated structural and agential dimensions and explore their implications. Giving an example of Mauritius I intend to show that the constraints placed on Mauritian elites by the process of discussion and interaction with societal actors ensures that the elites act in accordance (to a degree) with the wider societal interest (whether intended or unintended) as they negotiate and promote the development of the political economy of Mauritius in the international political economy. Despite being sympathetic to the engagement approach, I think the approach gives
us a half-baked account, and fails to explain the dialectical relationship between elites and the environment in which they find themselves both at the domestic and international levels. I think such inherent limitations within the engagement approach can be overcome by using the SRA to explain the engagement of elites in the international political economy. As such the thesis revises the engagement scholarship and tries to relate it with the marginalisation approach giving an alternative lens that allows me to achieve my intended research goal. This is because the SRA allows us to take into account the relationship between both structural and agential factors and deliberations and ideas. Critically, SRA as laid out in chapter 1 allows me to try and explain the centrality of human actors in exercising agency in both the domestic and international contexts – contexts characterised by uneven/unequal power structures – structures that ‘select for’ certain kinds of strategy and agents over others – context in which deliberations and ideas also constrain the actors. This I believe will allow me the deliverance of insightful perspectives which challenge conventional wisdom.

2.5. Conclusion

What emerges from this chapter is an outline and interrogation of the debate on the study of Africa in the international political economy and its relevance in the changing contexts characterised by global shifts in politics and power relations and changing state structures. Whilst I agree with the pre-existing literature in the identification of structural and agential factors in explaining the position of African countries in the international political economy, I disagree with it in terms of the objects of analysis. This is because the literature tends to choose to appeal to seemingly oppositional sets of factors in explaining the position of African countries in the global economy yet it might be difficult to separate the two in our explanation. As a result the examination of the position of African countries in the international political economy has not been fully presented. Under such circumstances it becomes important to look at the interplay between the structural factors and agential factors
in any given engagement process. To this end, I argue for the need to look at a broader spectrum of actors and how they relate to both the domestic and international structures. This is because of the reconfiguration of the elites and growing number of stakeholders in policy-making and engagement at the international level. Thus the engagement of African countries in the international political economy must be sought not only from structural conditions at the international level or the activities of political leaders but activities of a number of actors in relationship with the domestic and international contexts. As a result, there arises the need for an alternative approach that explains the activities of all these actors in relationship to the context they find themselves. An approach that also allows us to explore the relationship between the material realm, ideational realm and interests in the way the actors engage in the international political economy. I believe the SRA as discussed in Chapter 1 will give insight in this respect.

To this end, I intend to use the SRA to look at Mauritius’ influence on decision-making in the international political economy, more specifically the WTO. I believe the SRA will help me examine the influential actions taken by Mauritian actors both at the domestic level and at the international level to try and realise outcomes in accordance (to a degree) with the wider societal interest (whether intended or unintended) for the development of the political economy of Mauritius within the international political economy. The SRA will also enable me to depart from the conventional wisdom and allow me to ask and answer questions about why Mauritian actors act the way they do; how they shape the context in which they operate; and how their behaviour is also shaped by the same context and other actors with which they interact. It also allows me to explain the processes of policy formation at the domestic level on an uneven terrain – policy that forms the basis for engagement at the international level. Thus it allows me a broader picture of the engagement of Mauritius in the international political economy. I begin in the next chapter by giving a background on the development of
Mauritius, focusing on why and how Mauritius political economy provided an environment that led to trade policy playing a central role in the country’s development trajectories.
CHAPTER 3

THE DEVELOPMENT OF THE POLITICAL ECONOMY OF MAURITIUS

3.1 Introduction

This chapter gives a background on the development of Mauritius through four epochs in which socio-economic and political contexts provided an environment for trade policy being central to Mauritian development trajectories. Various reasons have been given why Mauritius experiences trade growth with explanations form Rodrik and Sachs and Warner echoing Mauritius trade policy as central to growth. For Subramanian and Roy (2003) openness seems to be an approximate rather than an underlying explanation of Mauritian experience while an institution-based explanation seems to offer a greater promise.\(^{19}\) Whilst I do not dismiss these understandings, I re-emphasise them adding that our understanding would be incomplete without making reference to the role of Mauritian political elites and their relationship with the contexts in which they find themselves.\(^{20}\) I argue that the understanding of Mauritian development based on the pre-existing literature is incomplete without making reference to the relationship between Mauritian elites and the contexts in which they act (see Booth 2009). Indeed Stiglitz (1998) observes that key to change are individuals who can take action and ways of thinking that involves the identification of critical variable that affect the outcome, making inference based on existing data and recognizing what is known and not known. By examining the role of the actors involved in policy decisions, I identify key change agents and affected stakeholders and give recognition

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19 It has been argued argued that Mauritius has strong institutions (Gulhati and Nallari 1990, Subramanian 2001, World Bank 2003, Imam and Mathieu 2008, AfDB 2009, IMF 2010, Imam and Kohler 2010)

20 Leftwich and Hogg (2007, 2011), Leftwich and Wheeler (2011) and Land (2010) argue that much focus on development literature in recent years has been on institutions without much consideration of the role of human agency specifically individuals, leaders, elites and coalitions in the process of institution building and development.
to politics as an important determinant of outcomes. This makes local decision-makers and participants important in determining the desired outcomes.

I also argue that the socio-economic and political contexts during specific time-horizons and spatial scales of action have given preference to a specific set of policy decisions instead of another during a historical epoch – thus providing an analysis of the historical contours and dynamics of the political economy of Mauritius. The main claim emerging from the chapter is that Mauritius has undergone four developmental epochs which, despite different socio-economic conditions, allowed Mauritian elites to opt for export-led growth as they shape the development of Mauritius. This has been successful due to the ability of Mauritian elites to negotiate different contexts under different periods with the same major interest, the development of Mauritius. As such the chapter sets the basis for my argument on Mauritian actors/elites facing constraints placed by the process of deliberation and negotiation with societal actors as they interact and pursue the development of the political economy of Mauritius within the international political economy. This ensures that the elites act in accordance (to a degree) with the wider societal interests/aspirations (whether intended or otherwise) and acting to advance the development of the Mauritian political

The chapter presents an analytical narrative organised chronologically by historical epochs. Just like Chernoff and Warner (2002), Brautigam (1997, 2005) and Nath and Madhoo (2004) I will divide the period of economic growth in Mauritius into three epochs.\(^{21}\) I will follow Brautigam’s periodisation for the simple reason that it starts from the year of Mauritian independence and also identifies three periods of successful stabilisation and adjustment. I will go further and identify a fourth period of crisis from 1989 to present which I think is still

\(^{21}\) Chernoff and Warner identify the periods as 1960s to 1970 and from 1970 to 1982 and 1983 to present and Brautigam puts the periods as 1968-1975, 1975-1983 and 1983-present Nath and Madhoo identify the periods as 1960 to 1970, 1971 to 1977 and 1978 to 1983. These periods have been seen as successful in terms of implementing IFI stabilisation policies – see also Gulhati and Nallari (1990) who point out that Mauritius was successful in fulfilling all IMF agreements and achieving all targets.
ongoing in terms of elaborating trade policy changes in view of the changing global market and the need for continued economic growth. I will discuss the specific socio-economic and political conditions that allowed certain policy decisions to be actionable in Mauritius as I examine policy change in each epoch. I will also highlight the importance of trade to the Mauritian economy to explain why trade growth.

3.2 First Epoch 1968-1975

Meade (1961) argued for Mauritius to develop there should be labour intensive manufacturers for export, but the idea was ignored with Mauritius opting for Import Substitution (IS) (World Bank 1971, Milner and McKay 1996, Ancharaz 2003b, 2006, Nath and Madhoo 2004) probably because of the influence of the Prebisch-Singer doctrine which was prevailing at that time that favoured IS (Ancharaz 2003b and ATPC 2004a). As put by the Lexpress (14/04/2003) that IS was the “hallmark of conventional wisdom” in the 1960s and Mauritius like many other developing countries adopted it. However, IS brought with it few jobs compared to the growing population and the small size of the country prevented IS from being sustainable (Gulhati and Nallari 1990, Fox 2003, Ancharaz 2003b and Bhowon et al 2004). According to the World Bank (1968) and Brautigam (2005) following independence in 1968 Mauritius was densely populated with a steep population growth, had high unemployment and was dependant on sugar for almost all of its exports and employment. The World Bank puts the population density at 1,070 per square mile – one of the highest in the world at the time. The rapid population growth threatened to overwhelm a stagnant sugar economy (Brautigam 1997, English 2002, Bunwaree 2002, World Bank 1968, World Bank 1971 and World Bank 1982). Figure 3 shows the average population growth in Mauritius of 2.6 percent between 1960 and 1970 vis a vis near employment stagnation in the Agricultural sector during the same period. The sector employed 79 000 in 1961 rising to 85 000 by 1970 which translates to an average percentage increase in employment of 0.9% (Figure 4) and a growth rate of 4.5
percent in 1971 (Figure 6). Such a scenario was leading to what Meade (1961) referred to as the Malthusian crisis (see also Gulhati and Nallari 1990, English 2002, Milner and McKay 1996, Bunwaree 2002, World Bank 1968, World Bank 2007, Koop 2005, Nundlall 2004, Subramanian and Roy 2003) – a crisis that needed a solution. For Meade (1961) the solution had to come from absorbing the growing working population into the economy – but how?

The same situations prevailed in almost all African countries experiencing agricultural stagnation and population explosion (McNamara 1990, UNECA 2004d). The Mauritian economy like other African economies lacked diversification with such prospects limited. There were no prospects for another major crop that could compete with sugar and prospects for expanding sugar were also limited because of the availability of land (World Bank 1968, World Bank 1971). As evidence of the growing crisis the period was associated with political riots between Creoles and Muslims after the 1967 elections. The economy was also characterised by deteriorating macroeconomic conditions which led to an increase in the intensity of import restriction and the “anti-export bias” (Milner and McKay 1996). This meant that the national policy discourse in Mauritius at that time was that a solution had to be found on the basis of a growing population vis-à-vis employment creation. The government acted to stabilise the economy by imposing a public sector wage freeze and increasing government controlled transport fares. In an effort to increase employment, the government decided to supplement commodity export and import substitution industrialisation with a focus on manufactured exports – a solution suggested by Meade in 1961.
Figure 3: Population growth, Average Annual rate of increase (percent) – Republic of Mauritius, 1855-2025

Source: UNCTAD Database

*Estimate

Figure 4: Mauritius Agricultural labour force (Absolute Value in thousands), 1961-2006

Source: Computed from UNCTAD Handbook
The Export Processing Zones Act was passed in December 1970. The introduction of EPZ initiated the country’s export-led growth with an increase in the growth of exports coupled with an expansion of employment. Figure 5 shows the rise in employment in EPZ and Export Oriented Enterprises. By 1990 employment in EPZ had risen to a high of 87,000 compared to 72,000 in the agricultural sector (Figure 4) making the EPZ the major employer in the country surpassing agriculture. According to Gulhati and Nallari (1990) the period between 1970 and 1973 was a “spectacular boom” for Mauritius.

Figure 5: Mauritius Employment in the EPZ and EOE Sectors: 1972-2008

Source: Mauritian Central Statistics, National Accounts of Mauritius

*EOE as from October 2006

**EOE consists of all those enterprises, previously operating with an EPZ certificate, and those enterprises manufacturing goods for export and holding a registration certificate issued by the Board of Investment.22

Bhowon et al 2004 and Ancharaz 2006). Why was the idea not implemented until 1970? Pre-existing literature whilst capturing the reasons why the government decided to implement the idea does not adequately explain the importance of the idea coming into effect. The coming into effect of the idea can be sought in the conduciveness of the prevailing political environment for ideas to be put into practice. The idea by Meade and Liam Fat could not have been implemented had it not found the political backing it so needed. As argued by Lieberman (2002) that an idea’s time arrives not because the idea is compelling on its own terms but when favourable political circumstances arise which can only arrive when the idea finds persuasive expression among political elites. Along the same line Schmidt (2008: 9) puts it that big ideas generally “remain dormant in the background, hidden from view by the policy and programmatic ideas sitting in the foreground, and rarely contested except at a moment of deep crisis.”

It was not until the early 1970s that Meade and Liam Fat’s ideas found such favourable conditions. With unemployment rising, Mauritian leaders were willing to give Meade’s idea a second look hence the creation of EPZ in the 1970s (Milner and McKay 1996, Ancharaz 2003b and Koop 2005). The coalition government between the Mauritian Labour Party (MPL) and the Parti Mauricien Social Democrat (PMSD) seem to have common interests unlike the previous coalition that was chaotic due to personal policy issues. The government according to the World Bank (1971) was running smoothly and even decided to postpone elections until 1976. This was done in order to foster peace and reconciliation necessary for economic development (Brautigam and Diolle 2009). The new government was determined to usher Mauritius into an economic era of prosperity and development (Bheetnick and Schapiro 1989). While the idea/policy on EPZ was not new on the international, industrial and development scene Mauritius managed to make the idea/policy flexible in terms of

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23 See also Schmidt 2009.
geographical location and concessions allowing the model to work for Mauritius. Initially there was the debate on the timing of establishing the EPZ with one side preferring improving the infrastructure first with the other group thinking that the creation of new employment was urgent. The latter group won the debate and EPZ were established without delay (see Bheetnick and Schapiro 1989).

Influential individuals like Chuen a former Cabinet Minister were supportive of the EPZ policy and established a zone himself. Both the Mauritian government and private sector were in favour of the policy and recruited Asian investors. For example Sino-Mauritian business networks helped to ensure that in the first decade of operation 60 percent of the capital was from Hong Kong (Brautigam 2005). At the same time government leaders made countless trips to Asia to “court investors” and “regulations were changed to facilitate investment” (Ibid. 71). The situations could have been different had the Mauritian Militant Movement (MMM) been in power because of its views on the EPZ. According to Gulhati and Nallari (1990) the MMM was a leftist faction that saw EPZ as enclaves of international capitalism – campaigning against EPZ (Brautigam and Diolle 2009). Instead the MMM favoured the development of domestic industries – IS. The MMM ideas did not take hold because of a clamp down on the MMM leading to Mauritius living under repressive political conditions from 1971 to 1975 (Brautigam 2005). It was only in 1976 with the lifting of the state of emergency that Mauritian political elites began to play by the rules of constitutional democracy which according to Gulhati and Nallari (1990) was a turning point in Mauritian politics and political economy.

3.3 Second Epoch 1975-1983

The solution to the socio-economic and political problems in the first epoch was the introduction of a mixed strategy of IS and export promotion or “dual trade regime” (Gulhati
and Nallari 1990, WTO 1995c, Milner and McKay 1996, Rodrik 1999, Ancharaz 2003b, Bhowon et al 2004 and Ancharaz 2006). The intention of a mixed strategy was to “integrate export-orientation” into the EPZ and the IS sector and encourage diversification (Bhowon et al 2004). However, the result was rapid growth and development during 1971 to 1976 from a very small base. Diversification was “occurring but very slow” (Fox 2003) despite the spectacular growth of exports from the EPZ. The rapid growth and development was followed by stagnation during the late 1970s which was a result of a number of factors that included among others low domestic savings, raised cost of production due to high wages, import restrictions form the UK and France on pullovers and the world recession (Gulhati and Nallari 1990, World Bank 1981 and World Bank 1985). Figure 6 gives a graphical representation of the rapid growth from 1971 reaching a rate of 22 percent in 1976 falling dramatically to 7 percent in 1977 and reaching minus 10 percent by 1980.

Figure 6: Mauritius Annual Real Growth rate of Gross Domestic Product at basic prices (percentage)

Source: Computed from UN Statistical Division and Mauritian Central Statistics, National Accounts of Mauritius
*Revised
The second epoch also experienced a combination of the effects of the sharp rise in oil imports in 1973-1974 and poor harvest in the mid 1970s which depressed sugar earnings. The cyclones between 1979 and 1980 exacerbated the situation (English 2002, Nath and Madhoo 2004, World Bank 1982 and World Bank 1985). According to Fox (2003) the world recession of the late 1970s “hit Mauritius hard” and contributed to employment stagnation in the EPZ (Figure 5) and a decline in the rest of the economy (Ancharaz 2003a, 2006). The situation was worsened by the policy choices of the ruling coalition of the MPL and PMSD who supported significant wage increases and spending on social welfare (Gulhati and Nallari 1990, Brautigam 1997 and Ancharaz 2003b). These choices together with an increasingly overvalued exchange rate contributed to a sharp decline in the rate of growth of EPZ exports, a stagnation of new investment leading to a rise in unemployment from 20,511 in 1975 to 20,841 in 1976 followed by a decline in 1977 and 1998 and sharp rises in 1979, 1980, 1981 and 1982 (Figure 7). By 1979, the problems had grown in magnitude with the government deficit increasing significantly (World Bank 1982, Brautigam 1997) leading to rising labour costs and a real appreciation of the rupee and the erosion of competitiveness (Ancharaz 2003a, 2006).
1980 saw the growth rate slumping to minus 10 percent (Figure 6) with unemployment of 31,973. The Mauritian state saw the need for policy reform (Fox 2003, World Bank 1982). The government approached the IMF and the World Bank, and in 1980 began new policies in economic stabilisation and structural adjustment programmes (SAP). This saw the country introducing austerity measures that led to the holding of wage hikes, reduction of food subsidies, removal of price controls and the curbing of education and welfare benefits. Mauritius devalued the rupee several times between the period 1979 and 1983 (Bhowon et al 2004, Brautigam 2005, Koop 2005, Imam and Minoiu 2008 and IMF 2008c) which was a “critical approach to maintain a competitive, outward-oriented economy” (Brautigam 2005: 65). Trade policy was used in a “more restrictive” way with trade liberalisation starting after 1983 (Milner and McKay 1996, Bhowon et al 2004 and Jankee 2008). Mauritius also followed a conservative fiscal and monetary policy offering business a stable working environment; took steps to reduce bureaucratic red tape and encouraged foreign investment;
and allowed the co-existence between IS industries and export dependent manufacturers (Gulhati and Nallari 1990, Fox 2003). But the 1982 devaluation of the rupee and lifting of price controls led to an increase in inflation resulting in recession with unemployment remaining high and only started to come down slowly to 73,042 in 1983 and 70,246 in 1984 (Figure 7). According to English (2002) the inflation eroded the hard won gains of the 1970s.

The problems in the second epoch helped the MMM win elections in 1982 because of the unpopular austerity measures by the previous coalition. When the MMM came into power it decided to continue with the policies of its predecessor leading to the collapse of the government (Gulhati and Nallari 1990, Brautigam 1997, English 2002). New elections were held in 1983 resulting in the MLP, PMSD and Movement Socialist Mauricien (MSM) known as the Alliance assuming government, which also continued with the austerity measures. This shows the willingness of the political elites to implement agreed ideas even under difficult political conditions. As commented by Brautigam that during this difficult time “both governments managed to avoid the heavy-handed repression that had characterised immediate post independence politics” (1997: 51). In an effort to show commitment to the new ideas, the Mauritian government in 1982 started the Indian Ocean Rim Initiative as an attempt to tie Mauritius close to its island neighbours. Because of such political commitment, the 1980s saw Mauritius implementing stabilisation that bolstered export-led growth whilst maintaining comprehensive social services, and improving income redistribution. Thus the problems which grew in Mauritius as a result of lack of diversification and a number of external factors resulted in a “moment of decisive intervention” that led to SAP in 1980. But the country still had to face another set of problems and in 1982 it faced the longest global recession since World War II (English 2002).
3.4 Third Epoch 1983-1989

The stagnation and recession meant a relook at the emerging socio-economic and political problems and the search for new policy ideas to reinvigorate the economic development. The new alliance government in 1983 ended the period of macroeconomic instability and renewed Mauritius’ commitment to the EPZ. For Nath and Madhoo (2004: 16), 1983 marked the year in which the real story of economic success began when the newly elected government started “to foster economic transformation by diversifying into manufacturing for export.” A view supported by Ancharaz (2006) that the real economic reform began in 1983 and has become perennial although initially it assumed a gradual approach. Continued diversification and promotion of export-oriented manufacturing was a major priority given the stagnant nature of the sugar sector, the small size of the domestic market and the backlog on unemployment (World Bank 1985). This saw the creation of the Mauritius Export Development and Investment Authority (MEDIA) in 1984 to organize and promote EPZ firms. The MEDIA brought in a number of changes and incentives that resuscitated the EPZ. The Government extended the EPZ incentives to all firms capable of exporting and on attracting new FDI. It also maintained the country’s competitiveness through appropriate exchange rates and wage policies (World Bank 1985).

Because of the above measures the development and growth of EPZ cannot be separated from capital accumulation which according to Chernoff and Warner (2002), Nath and Madhoo (2004) and Ancharaz (2003a, 2006) has been a “source of growth.” Indeed Chernoff and Warner (2002) saw capital accumulation driven growth between 1982 and 1989 especially in the EPZ sector as highlighted by a “tremendous investment boom” in the EPZ between 1983 and 1989 and total ‘factor productivity growth thereafter.’ It cannot also be separated from reforms allowing trade liberalisation. The first phase of this trade liberalisation between 1983 and 1985 was geared towards the liberalisation of foreign exchange and import license
restrictions coupled by the reform on broader import taxation. Reforms such as consolidation of duties and reduced exceptions were meant at reducing the level of protection in import substitution sectors. The period 1985 to 1987 saw the main phase of import liberalisation and reduction of protection of domestic industries as a result of the dismantling of quantitative import restrictions (Milner and McKay 1996, WTO 1995d, Nath and Madhoo 2004). However, trade liberalisation during this period cannot be looked at separate from the stabilisation policies of 1979 and 1983. This is because the Mauritian government successfully implemented five successive stand-by and two structural adjustment programmes between 1980 and 1986 that laid the preconditions for sustainable export-led growth (Handly 2008: 102). Moreover the measures were part of the process of liberalising the economy especially trade and exchange rate but also targeted all the sectors of the economy (Hwedi 2001). For instance in the agricultural sector the reform programme included a reduction of export taxes on transfers of agricultural land and; in industry there was an elimination of restrictions on imports and reduced tariffs and promotion of foreign private investment in EPZs through fiscal and financial incentives. Thus there was a reorientation of the country’s trade policy whilst at the same time improvement on capital efficiency as well as the channelling of FDI into export oriented manufacturing with remarkable success (World Bank1989, 1992, Brautigum 1997, Chernoff and Warner 2002, Ancharaz 2003a and Fox 2003).

Indeed as shown in Figure 5 employment in the EPZ rose from 25 000 in 1983 to 90 000 by 1986 and growth rose from 0.4 percent in 1983 to 9.7 percent in 1986 as shown in Figure 6. There was also a drop in unemployment from 73,042 in 1983 to 46,796 in 1987 further dropping to 12,837 in 1990 (Figure 7). As such EPZ evolved over the years to become a “dynamic export platform with considerable job creation potential” (Ancharaz 2003a: p.3). However, as argued by Fox (2003) and Chernoff and Warner (2002) this was just temporary
because after 1990, tourism replaced EPZ as the dynamic sector. Chernoff and Warner (2002) give three reasons for the growth in services; greater demand for non-traded services because of higher incomes overall; linkages to the boom in EPZ by services sectors such as transport and financial services; and growth of other services such as tourism. The Ministry of Tourism, Leisure and External Communications reported that the number of tourist arrivals rose from 103,000 in 1977 to 656,450 in 2000 and by this time the sector became the third pillar of the economy after EPZ manufacturing and agriculture (2000). The National Tourism Policy that emphasized low impact, high quality tourism favoured selective, up-market, quality tourism which helped explain the growth of the sector.

Offshore banking also became an important sector and so was information technology largely due to Mauritius’ connection to India leading to Mauritian investment in India. Thus starting in 1986, the service sector made the largest contribution to overall growth (Chernoff and Warner 2002). As a result Mauritius experienced dramatic growth in exports by finding new export products to supplement sugar exports thus shifting from reliance on agricultural exports to manufacturing and services (Fox 2003). Mauritius also took advantage of the favourable terms of trade and strong demand for exports because of the upturn in the world economy (World Bank 1989, 1992). Mauritius was also able to benefit from preferences especially with the European Economic Community under the Lome Convention which was one of the catalysts to the growth of manufacture exports in Mauritius (World Bank 1989, 1992). On the US market Mauritius benefited from quotas that limited competitors on that market. Overall there was a growth in exports with the share of exports rising from 50 to over 60 percent in the period 1980 to 1993 (WTO 1995b) (see Figure 9). However, much of this success is owed to the close link between export and economic growth which has caused political leaders to “continually seek ways to support the industry by improving infrastructure

24 See also World Bank (1985).
and procedures” thereby creating a virtuous circle (Fox 2003). The virtuous circle is such that exports lead to improvements in the environment for exporting, making further increases in exports easier. This can be explained by the ability of actors to learn and come closer to understanding the context (see chapter 2) as correctly put across by Nath and Madhoo (2004) that the period between 1989 and 2002 was that of further diversification and consolidation.25 Indeed the World Bank (1989) observed that the very reasons for Mauritian success served as constraints for the country’s future development and that Mauritius needed a strategy of consolidating the gains of the past whilst looking ahead for solutions to the constraints which were starting to emerge. Mauritius also needed to look for other alternatives to ensure continued growth (World Bank 2003).

According to Mkandawire (2005) by the mid 1980s most Sub-Saharan African countries had undertaken major reforms in the market, including exchange rate decontrol, devaluation etc but without much anticipated benefit. Why then were the policy measures successful in Mauritius and not other countries? The answer may be found in the commitment and willingness of the political elite to adopt the most influential policy ideas as determined by the processes in Mauritius. This is clearly put across by English (2002) that the Mauritian leadership “understood the need for adjustment and played a major role in designing the programme.” Success was also a factor of the ability of the Mauritian Government to promote the adjustment programme and improve investment incentives (World Bank 1985, 1989). With the third crisis the government treaded carefully between popular demands especially from the MMM which was the opposition political party and the requirements of stabilisation and adjustment (Brautigam 1997). For example the ruling Alliance managed to negotiate annual wage increases below the cost of inflation during the years of austerity. The Alliance also managed to allow a wage increase of 30 percent for civil servants in 1987 and in

25 See also Ancharaz 2003b.
1988 (Ibid.: 51). At the same time adjustments went forward with the passing of the Sugar Efficiency Act of 1988, together with the replacement of quotas with tariffs. There was also some liberalisation of the financial sector and the exchange rate (Milner and McKay 1996, Brautigam 1997 and Bhowon et al 2004). Of significance is the fact that the process of trade liberalisation during this epoch was seen as credible because of the availability of information with the government “informing economic agents about the reform process” (Nath and Madhoo 2004).

3.5 Fourth Epoch 1989 to present

The World Bank (2003) notes the period 1988-1999 as marking the end of Mauritius’ rapid labour–based growth to a transition that focused on a second round of growth based on productivity increase. By this time growth had slowed down, inflation was rising, competitiveness was being eroded by rising labour costs, the financial position of government had deteriorated, the external account was widening, and the real exchange rate had appreciated (World Bank 1992, 1995, WTO 1995b, IMF 1998). By the year 2000 Mauritius was facing the challenges of a mature developing economy characterized by rising labour costs which were eroding competitiveness especially in garments manufactures (UNCTAD 2001, Nath and Madhoo 2004, World Bank 2003, 2007, IMF 2001, 2002, 2003b and Government of Mauritius 2009).26 Because of the rising labour costs, the Lexpress (14/04/2003) declared EPZ dead.27

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26 Heron 2008a and ICFTU (2005a) highlight the consequences of the end of the Multi-Fibre Agreement and the Agreement on Textiles and Clothing (ATC) including those arising from unfair competition from countries like China. The ICFTU report notes that Mauritius export of clothing fell by 23% compare to the Chinese increase of 46%. Similarly much of Africa was hit hard (with Lesotho and Kenya for example) in terms of export earning and job loss.

27 The argument is that the EPZ model of industrialisation was based on the supply of cheap labour among other incentives to investors in search of a manufacturing base. Since Mauritius was experiencing rising labour costs, the provision of cheap labour was now not possible and as such the EPZ scheme could no longer attract as many investors as it used to.
The above challenges resulted in unemployment (African Regional Task Force on Population 2000, Arouff and Lough 2009) from 6,660 in 1993 to 18,024 in 2000 (figure 4). There was also a lowering of the living standards, lowering prosperity and lowering quality of life for all Mauritians (Government of Mauritius 2009). Writing in the Chambers News Taylor (2003) notes the country needed a “whole range of new activities” to allow continued growth. Mauritius then started on a vision of high value added knowledge based service economy to “move up the value chain” (UNECA 2003b, UNDP/Government of Mauritius 2009, UNCTAD 2001, and World Bank 2003, 2007). This was due to the realisation that there was need to liberalise and enhance the level of competition in the financial sector (Bundoo 2000).\textsuperscript{28} Besides these efforts, the problems did not disappear as anticipated. Instead by 2005 the economy was in a “precarious” state with unemployment at its highest level in 20 years (World Bank 2007, Jugnauth 2005 and Ministry of Finance and Economic Empowerment 2009c). Dhayam (2003) writing in the Lexpress notes Mauritius experienced long term budgetary deficits of 6.8 percent 2000-2001, 6.5 percent 2001-2002, 6 percent 2002-2003 and 5.5 percent 2003-2004. Saminaden (2010) also writing in the Lexpress notes Mauritius experienced a domestic debt increase from Rs 123 billion in March 2010 to Rs 125 billion in April of the same year. Mauritius also suffered a series of external shocks due to the phasing out of the Multi-Fibre Agreement\textsuperscript{29} drastic reduction in the EU Sugar Protocol prices\textsuperscript{30} and rising import prices for petroleum and other commodities. Of significance is the loss of preferences leading to deterioration in its terms of trade (IMF 2006a, 2006c, 2007a, 2008b, 2008c and Jankee 2008).


\textsuperscript{29} The quota phase-out on textile and clothing means that countries that were not under quota constraint will face intense competition. In the case of Mauritius and other African countries, such competition is likely to come from Asian countries. Knappe (2004) also argues that most African countries did not manage to diversify their textile and clothing industry and are likely to be affected by the fact that major international buyers are unlikely to source from countries that have no vertically integrated industries and cannot offer a full service that includes logistics and supply management solutions. The other loss for African countries will come from the erosion of preferential market access.

\textsuperscript{30} Mauritius is the biggest beneficiary under the Sugar Protocol taking up about one third of the EU imports under the Protocol (Gulhati and Nallari 1990, ICFTU 2004) (see also Heron 2008a, 2008b) and yet Mauritius is among the list competitive producers and as such is expected to be hit hard by the reforms (ICFTU 2004).
World Bank 2006 and Ndikumana et al 2009) at a time when Mauritian companies faced “aggressive global competition and trade liberalisation” (Boolell cited in Mauritian News 2010). Indeed the Commonwealth Secretariat (2000) sees small states having difficulties in maintaining competitiveness in sectors that involve global markets because of the disadvantages they face.

In 2004 the Mauritian Prime Minister, Paul Berenger admitted that the economy had got worse and there were many challenges to be taken up (Lexpress 10/08/2004). This marked 2005 as a turnaround period requiring new reforms and policies (IMF 2006c, 2008c, Imam and Mathieu 2008, Imam and Kohler 2010, IMF 2010, Jugnauth 2005, World Bank 2006, Government of Mauritius/UNDP 2007, Ramgoolam 2009, and WTO 2008i). In a bid to return to higher growth paths and full employment the Mauritian Government took a commitment to lift competitiveness and prosperity (Jugnauth 2004, 2005). According to Deputy Prime Minister Rama Krishna Sithanen (2009), IMF (2007b), IMF (2006b), World Bank (2006), AfDB (2007), Imam and Minoiu (2008) and WTO (2008i) the Mauritian economy was in a period of transition from reliance on trade preferences to one that is going to be driven by global competitiveness. A view echoed by the Mauritian Prime Minister Dr The Hon. Navichandra Ramgoolam in his foreword to the 2008-2009 Budget that since 2006 the government has been implementing a comprehensive reform programme anchored on four pillars: enhanced trade competitiveness; improved investment climate; fiscal consolidation and improving public sector efficiency; and widening the circles of opportunities (2008). The view is also shared by the JEC (2005, 2008b), AfDB (2007), Government of Mauritius/UNDP (2007), UNDP/Government of Mauritius (2009) and IMF (2010) which highlight that the

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31 Heron (2008a, 2008b) argues that small states generally depend on preferences compared to large states.
32 Heron (2008a, 2008b) outlines a number of disadvantages faced by small states when competing in the global political economy.
prime objective of undertaking reforms was to move Mauritius from a preference driven economy to a globally competitive one.

To this end the Mauritian Government started to implement a new development strategy centred on global competitiveness – for instance the Big Push approach in 2005 (Jugnauth 2005, WTO 2008i). The 2006/2007 Budget contained 40 fundamental reforms in the areas of economic restructuring, investment and business environment, fiscal stewardship and social justice and equality. Indeed the Mauritian reform agenda was “driven by the recognition that the economic environment has changed fundamentally” (Government of Mauritius 2009). As observed by Joonas (2003) writing in the Chamber News that the Mauritian economy is in a different context from the one that resulted in the Mauritian “economic miracle,” and as a result, “business as usual is simply not good enough.” The government also started on an incentive regime which includes the offer of permanent residency for commitments on investment of at least US$500,000 (Ancharaz 2003a). Because of these reforms the unemployment rate decreased largely because less people lost their jobs (Government of Mauritius 2009). The reforms also encouraged some Mauritian firms to relocate their low-value, labour intensive processes in the region especially to Madagascar and Mozambique (Ancharaz 2003a, Nath and Madhoo 2004). The reforms according to JEC (2008b), AfDB/OECD (2008), IMF (2010), MCC1 (2009b) and Imam and Kohler (2010) where already showing positive results beginning 2007 as shown by increase in GDP growth (Figure 6) and falling unemployment.

Mauritius has also seen growth in its off-shore financial sector through Global Business Licence firms that channel investments into their targeted countries particularly India (Imam and Mathieu 2008) positioning itself as a platform for investment from China and India to East Africa (Imam and Mathieu 2008, IMF 2010, Imam and Kohler 2010 and Ramgoolam
Mauritius offshore banking has also benefited from the country’s participation in various bilateral international taxation treaties (UNCTAD 2007). For example the growth of the offshore financial sector has made Mauritius the biggest source of inbound FDI into India (World Bank 2007). As such Mauritius has become the most important offshore investment hub in the region (Imam and Kohler 2010). This is due to the low tax rates and absence of capital gains tax in Mauritius which has allowed the flow of low tax or tax-free investment to other countries (Imam and Mathieu 2008). The low tax rates have been a powerful competitive edge for Mauritius (Ramgoolam 2009). In fact there is no longer a distinction between offshore finance and domestic banking (IMF 2008b). More so, Mauritius has developed a niche industry in the increasingly competitive global financial sector. By the end of 2007 the Mauritius financial sector included 30,832 global business companies (GBC) of which 463 represented registered Global Funds with a net asset values of US$35.9 billion (Ibid.). The sector seems to be growing as demonstrated by the significant increase in the assets of the foreign sources income of the banking sector which grew from 135 percent of GDP in 2005 to 198 percent in 2006 (IMF 2008b). The financial sector is now very important, contributing 12 percent of Mauritian GDP by 2009 (Boolell 2010) – a view supported by the AfDB (2009), IMF (2008b, 2010), and Mauritius Chamber of Commerce (MCCI) (2009a).

Mauritius has also focused on ICT to take advantage of the African region which according to the UNECA (2009a) still lags far behind in terms of ICT and digital governance. For instance in Mauritius, the government still retains a residual power of 60 percent in the ICT sector despite the existence of regulation authorities to lead the liberalisation process and thus creating a less conducive environment (UNECA 2010b). For Mauritius, the ICT sector is at the heart of development (Bhowon et al 2004). The ICT sector is growing making a contribution to GDP of 5.7 percent in 2007 compared to 5.5 percent in 2006 (MCCI 2009a).
This according to the Deputy Director of Trade Policy in the Mauritian Ministry of Foreign Affairs Regional Cooperation and International Trade and Chairman of JPPSCITI was an attempt to drive the economic development of the country in the current phase of transition from trade preferences (Interviews 27/07/2010)\(^3^3\) (see also World Bank 2006). Equally important is that ICT is important in facilitating trade and commerce in Mauritius.\(^3^4\) The Mauritian average time for the clearance of goods has been reduced from 4 hours to 15 minutes due to ICT (Janneh 2006, UNECA 2006). According to the IMF (2008c) Mauritius fares well compared to high-income countries and regional averages in terms of trade and the ICT sector. The World Bank (2007) anticipates that in the longer term the Mauritian strategy of a knowledge based economy will be able to stir the economy from ‘factor intensive to skills based growth’, leading to the development of a more ‘agile and entrepreneurial economy and build sustainable competitive advantages in emerging sectors with good regional and global prospects’ (p.iii). For instance the country is now exporting quality rum to the US (Ministry of Foreign Affairs, International Trade and Regional Cooperation 2005b).

To be able to contain the problems experienced in the fourth epoch further, the Mauritian Times (2010) has campaigned for political parties to state how and with what instruments they propose to further Mauritian “activism” in the external environment. To this end the paper notes the need for political parties to “identify policies that will replace activities that cannot face up to the competition by new and less vulnerable activities that will continue to give sustainable jobs” to Mauritians (Ibid.). Indeed the Mauritian government under the leadership of Dr. Navinchandra Ramgoolam which assumed office in 2005 started on a series of measures aimed at economic reform geared towards reducing government deficit, improving the investment climate, attracting FDI and restructuring the domestic industry

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\(^{33}\) Interview with an official from Ministry of Foreign Affairs, Regional Integration and International Trade.

\(^{34}\) Janneh 2006, UNECA 2006, Tussa 2006, UNECA 2004c highlights the importance of ICTs to economic growth and economic development.
Because Mauritius is a “very open economy” with high dependence on imports it decided to become a “duty free” country (MCCI 2009a). According to JEC (2005) making Mauritius a duty free country will make the textile industry duty free and accelerate the linkages between EPZ and non-EPZ firms, the emergence of textile-related services and position Mauritius as the textile-related services hub. The government has also embarked on streamlining procedures to start and operate businesses in Mauritius as well as putting more resources on education (Interview 27/07/2010, MCCI 2009a). The other strategy is to develop Mauritian infrastructure including road networks, harbour bridges, business corridors, air-passenger terminal, cruise terminal, low-cost housing etc. for the purposes of improving the environment of doing business and improving the livelihoods of Mauritians let alone trade facilitation.

Thus Mauritius has not been successful in achieving high levels of economic growth and development through openness and strong institutions alone but through properly thought out development strategy that include the opening up of the Mauritian economy to free trade. Mauritius has been able to evaluate trade liberalisation in terms of its developmental needs and not vice versa. As put across by the Mauritian Deputy Director Trade Policy in the Ministry of Foreign Affairs, Regional Integration and International Trade that “everything in the development path of Mauritius has been clearly done thinking of the long-term” (Interview 27/07/2010) – long-term in terms of the economic development of Mauritius. For Ancharaz (2006) trade policy has been an integral part of the country’s developmental policies and its mainstreaming into the development strategies has been done through

35 Interview with an official from Ministry of Foreign Affairs, Regional Integration and International Trade.
36 Interview with an official from Ministry of Foreign Affairs, Regional Integration and International Trade.
commissioned studies, National Development Plans, and Budget Speeches. But how important is trade to the Mauritian economy?

3.6 Importance of Trade to Mauritius

Central to the above discussion is the reliance of Mauritius on trade-led growth and the need for trade liberalisation. Why is trade important to Mauritius? According to the Government of Mauritius, because of its small size, lack of resources and geographical remoteness in terms of sources of raw materials and export markets, Mauritius had to depend “heavily on trade for its economic development and social progress” (WTO 1995e: 1, 1995b). As Jansen (2004: 1) notes small economies are “more open to trade because they have to rely on imports to satisfy their domestic demand” (see also Brautigam and Woolcock 2001, Baldacchino 2006, Nundlall 2004 and UN 2005). Heron (2008a, 2008b) also argues that larger proportion of higher incomes for small states comes from international trade with their economies “synonymous” to greater exposure to international trade. For Meisenhelder (1997) Mauritius is integrated in the world economy primarily through trade which is a much less determining and damaging form of engagement than for instance credit or debt.

Ancharaz (2003b) argues that trade policy in Mauritius has to a significant extent contributed to the country’s path to industrial development over a period of two decades of steady growth because as an island, Mauritius saw it fit to seek an ‘outward-oriented’ trade strategy. The strategy according to Ancharaz (2003a, 2006), World Bank (1992), IFSL (2005), Nundlall (2004), Prasad (2003), Subramanian (2001), and Srebrnik (2002) has guided the Mauritian trade policy since independence playing an important role in expanding the Mauritian economy far beyond the domestic market. Indeed the Mauritian Deputy Prime Minister and Minister of Finance observed in 2003 that the progress of Mauritian economy was export driven (Ministry of Finance and Economic Empowerment 2003). Gulhati and Nallari (1990)
and Bhowon *et al* (2004) argue that foreign trade determined economic policy in Mauritius prior to the early 1990s and the establishment of the WTO. A view supported by H.E Ambassador Servansing (interviews 09/08/2010) and Boodhoo (interviews 27/07/2010). The export sector was segmented from the rest of the economy.

The export sector also thrived because of preferential market access in major industrialized countries (Gulhati and Nallari 1990, Ancharaz 2003a, 2006, Collier and Venables 2007, Subramanian and Roy 2003, Gobbon 2002, Srebrnik 2002, and Brautigum 2005). As admitted by the former Mauritian Minister of Industry and International Trade Jaya Krishna, Cuttaree that Mauritius has been aided in its economic development by the predictability of preferential markets helping the country “overcome many” of its “inherent disadvantages” (WTO 2001b). The then 1995 Minister of Trade and Shipping, Gunjah (WTO 1995c) and former Minister of Foreign Affairs Regional Integration and International Trade, Dulloo (2007a: 2) also admit that the preferences accorded to Mauritian textile and clothing sectors together with preferential treatment on Mauritian sugar under the Sugar Protocol constituted the main catalyst for the generation of profound economic activity in the country which in turn created conditions of political stability and economic growth. As a result Mauritian products became more established in the OECD leading to a gradual shift to more complex manufacturing tasks.

These foreign markets played an important role in the process of diversification and economic growth as argued by Akyuz and Gore (2001: 267) that export growth supported investment because it earned foreign exchange needed for capital goods imports and the necessary advanced technology – at the same time new investment supported exports by “providing the basis for productivity growth and increased competitiveness as well as by allowing production to be shifted towards sectors and products with high income elasticity.” Indeed IFSL (2005)
acknowledges that liberalisation and internal market reforms that provide for privatisation are key components of an outward oriented policy. Such policy has contributed to the development of many countries for over 50 years (UNCTAD 2007). Mauritius has been able to use both trade and industrial policy to promote industrialisation and economic development. The industrial development in Mauritius relies on the export market given the size of the Mauritian domestic market. Exports also support domestic income and savings through providing markets for goods which otherwise could not have been produced locally to meet domestic consumption. This has not been the case with most African countries as argued by Oyejide (2004) that in the 1980s trade policy did not occupy a significant position in the formulation of national development goals and objective - rather it was discouraged and only came to play a meaningful role recently.

The Mauritian WTO Country Profile shows that Mauritius is ranked 120 and 114 in the world it terms of exports and imports respectively – making Mauritius trade dependent (WTO 2009a). The report also shows that the country’s share of world merchandise trade is 0.02 and 0.03 for exports and imports respectively. For commercial services, the figures stand at 0.07 and 0.05 for exports and imports respectively. On the other hand Figure 8 and Figure 9 below show the growing total merchandise trade for Mauritius from US$39 million in 1960 to US$2351 million in 2008 and imports from US$70 million to US$4646 million and the increase in the percentage share of Mauritian merchandise trade in the world total respectively. The figures show that Mauritius is dependent on trade. Moreover as a small economy, Mauritius tends to have highly concentrated exports in a few sectors. This has in a way contributed to income volatility which can be reduced through export diversification (Jansen 2004).
Figure 8: Mauritius Total Merchandise Trade in $US at current price (Millions)

Mauritius has been a significant exporter of textile products and ready to wear garments. It has also been the second largest exporter of woollen knitwear in the world (Srebrnik 2002). Collier and Venables (2007) argue that Mauritius is the only African country that has decisively penetrated global markets in manufacturing. Figure 10 shows the growing importance of manufacturers as exports compared to agricultural products with manufacturers surpassing agriculture as the major exporter in 1986 owing much to the diversification of the Mauritian economy. Also important in Figure 10 is the growing exports in clothing and textiles owing to the Multi-Fibre Agreement and the Lome’ Convention. But clothing exports grew much greater than textile because of Mauritius importation of textile as raw material for the manufacture of clothing as shown in Figure 11. The picture changed due to the erosion of preferences as shown by the fall in Mauritius’ percentage share of world merchandise trade beginning from 2004 (Figures 9).
Figure 10: Mauritius Merchandise exports by commodity, US at current price (Millions)

Source: Computed from WTO Time Series data (2009)

As discussed above the tourism and the financial sectors also helped diversify the economy and in the 1990s Mauritius began to carve a niche as an information technology and e-commerce centre attracting investment into cyber-industries and related services (Srebrnik 2002, Brautigam 2005 and Ministry of Finance and Economic Empowerment 2009a). Because of this diversification unlike other African countries struggling in the late 1980s, Mauritius was exporting its way into the ranks of upper-middle income countries (Brautigam 2005). This has allowed the country to transform from an impoverished single crop exporter to Africa’s highest-income economy. As a result, Mauritius has every reason to negotiate and push for the development of its political economy within the international political economy.
The government of Mauritius observes that the major thrust of the economic and trade policy in Mauritius is to establish a modern and competitive society with a high level of economic growth in a dynamic international environment giving Mauritian individuals opportunities with the objective of improving their standards of living and quality of life (WTO 2001e, 2008i). However, for Ancharaz (2006) poverty alleviation or reduction has not been an ‘explicit’ objective of the Mauritian national trade strategy. Ancharaz further alludes that probably the guiding philosophy was that trade would lead to economic growth and growth would in turn alleviate or reduce poverty. Like Ancharaz it would be inappropriate – in the absence of strong corroborating evidence – to attribute Mauritian achievements to trade strategy per se, but to the extent that growth was export-led. The growth then engendered socio-economic development. As such it is safe to infer that, the export-oriented trade strategy was responsible for steering Mauritius on to a development path albeit with improvements in the living standards of Mauritians – whether intended or otherwise.
Cuttaree is of the opinion that the export sector has had a “multiplier effect” on the Mauritian economy and has “contributed significantly to improvements in the standard of living” of Mauritians promoting the uplifting of the “working class, social stability and women’s emancipation” (WTO 2003a). Indeed the export sector has been a “driving force to fight poverty and reduce social imbalances and to uplift the country from the shackles of poverty and marginalisation” (Ibid.). This opinion is supported by Henning Stiro on giving vital statistics about Mauritius in the 2008 Mauritian Trade policy Review meeting (WTO 2008h) (see also WTO2008a). Figure 12 shows the growing GDP per capita based on purchasing power parity (PPP) in current international dollar from US$ 3,813.20 in 2000 to US$ 6,871.83 in 2008. This means that the income of the average Mauritian increased three and a half times over a forty-year period. As argued by Nath and Madhoo (2004), export led growth helped to increase the per capita income of Mauritians in the categories of upper middle-income.

Figure 12: Mauritius Per capita at current prices – US dollar.

Source: UNdata
Economic growth has been accompanied by real improvement in the average quality of life for Mauritians thus fulfilling some of the political elites’ objectives (intended or otherwise). According to the Human Development Reports (HDR) (2010), between 1980 and 2010, the Mauritian Human Development Index (HDI) rose by 1.0% annually from 0.525 to 0.701 in 2007. Mauritius has also experienced an improvement in human development indicators with life expectancy at birth increasing from 61 years in 1965 to 71 in 1996 and 72.1 in 2010. Adult literacy has also risen to 88.6% with a combined gross enrolment of 76.9%. The 2009 report notes that the Human Poverty Index (HPI-1) for Mauritius stands at 9.5%, ranking Mauritius 45th among 135 countries for which the index has been calculated (HDR 2009). The Mauritian Central Statistics Office using a poverty line of $1 a day estimates the proportion of poor people in Mauritius below 1 percent and 1.5 percent when using a poverty line of $2 per day (Ministry of Finance 2009a). Social policies in Mauritius include social security controls on prices, subsidies on basic food staples, old age social security (OASS) benefits, and subsidised housing loans for low income households. Indeed the idea of equality and equity “has been honoured, not given lip-service by political leaders, who emphasize social justice as one component of their strategy for balancing a complicated multi-ethnic society” (Prezeworski and Wallerstein 1988: 12). The two further observe that the Mauritian government decision to use its abundant unemployed labour in labour-intensive manufacturing for exports and at the same time underwriting the social security for the population formed its early and successful economic stabilisation following the turmoil of the 1970s and early 1980s. Thus because of other domestic policies it has been able for Mauritius to try and address the inequality that is brought about through openness. More so, unskilled and female labour benefited from trade through increases in wages and employment

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37 This means that there are still pockets of poverty in Mauritius as observed by the World Bank (2006) and AfDB (2007).
38 UNECA (2004d) argues that cross country research has shown that openness is positively correlated with income inequality but trade liberalisation has the potential to benefit the poor people. The impact of trade liberalisation on the welfare of a country depends on initial income distribution, structure of the economy, level of export diversification, level of integration and the country’s overall trade orientation.

3.7 Reasons for successful trade policy decision-making

The success of trade policy decision-making and policy choice in Mauritius cannot be fully explained without examining the prevailing socio-economic and political conditions. One of which is that Mauritius has a distinctive aspect of its national political environment that involves ideological orientation that cuts across all political parties (Brautigam 1997 and Meisenhelder 1997). As noted by Anchraz (Response 16/08/2010) that main political parties “share roughly the same ideology and, therefore, trade policy is unlikely to be driven by politics.” The Mauritian Times (2010) reported that for the 2010 elections, the “absence of any broad ideological differences” should make it possible for the two major political parties to form an alliance. Under such circumstances choices cannot only be understood as a function of interests but there is the need to acknowledge the independent role of ideas and ideology. Mauritius has had experience with a social construction of the need for reform in which political leaders encouraged “cognitive filters” or a process of “path shaping” that gave birth to policy ideas that generated support for widespread reform. The coalition between the government and private sector has also been helpful in the support for reform. Such developments have helped to create enabling conditions under which, as argued by Cox (2001), “maximum agreement can be reached.” As such the Mauritian functioning democracy assisted in diffusing social tensions, “even as it complicated economic policy making” (English 2002: 1). English’s observation is echoed by the Mauritian Minister of Foreign Affairs, Regional Integration and International Trade, Boolell, that Mauritius has

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39 Response from Ancharaz.
40 See Lieberman (2002) who argues along the same line.
“always put political stability, governance and democracy” at the forefront of the country since independence – which has been “an essential ingredient to the economic achievements of Mauritius” (Mauritian News 2009).

For Brautigam (1997) two ideas from the time of Mauritian independence help shape the path of democratic consolidation and economic reform and development in Mauritius – Fabian socialism and export-led growth as a development model. As Fabian socialists there was a shared Mauritian ideological commitment to social democracy which in turn set the boundaries in which “party-based bargaining shapes the details” (Ibid: 45-62). Mauritius’ functioning democracy has worked partly due to the political system that makes it difficult for a single political party to gain a majority of seats through votes alone because more than ten percent of the eight allocated seats are reserved and thus encouraging the parties to run in coalitions (Gulhati and Nallari 1990, Brautigam 1997). As a result the politics in Mauritius has been of ever changing coalitions (Gulhati and Nallari 1990, Brautigam 1997, Fox 2003, Nath and Madhoo 2004, World Bank 2003, AfDB 2009 and Subramanian and Roy 2003). Indeed this seems to explain the case of Mauritian politics in allowing policy change – what Gulhati and Nallari (1990) term a “consultative democracy.” The consultative democracy allowed political parties to work as coalitions putting “a distinctive stamp on the policy process” which helped avoiding the “adoption of extreme policy positions” (Gulhati and Nallari 1990: 2-6). Countries like Botswana, Namibia and Tunisia\(^\text{41}\) which have also had profound economic development have had preservation of social consensus and the promotion of economic growth (Ndikumana \textit{et al} 2009).

Moreover Mauritius has institutional features that underpin the “inclusion of major social actors (including ethnic groups) in the reform coalition” allowing economic reforms and at the

\(^{41}\) Given the recent events in Tunisia it would be interesting to revisit the Tunisian example under the one party rule of Ben Ali who was recently toppled.
same time enabling successive government to willingly maintain the reform coalition (Brautigam 1997: 45) (see also Bhowon et al 2004). For instance in the mid 1990s a development strategy was laid down in the country roadmap Vision 2020 which according to the World Bank (2003) was a “thoughtful and imaginative plan” that was prepared in a consultative manner and became the country’s developmental strategy for successive governments. Vision 2020 brought in new ideas aimed at overcoming the problems experienced in the fourth epoch. Vision 2020 provides a good example of a national product not an elite product in that it was conceived under the Government of Sir Anerwood Jugnuth and approved and published by the Government of Dr. Navin Ramgoolam making it a fully Mauritian exercise (World Bank 2003). The Vision culminated as a result of consultation with national institutions and organizations and was formulated with the participation of a large number of stakeholders within and outside government (World Bank 2003). According to Jankee (2008), World Bank (2003) Vision 2020 was meant to cope with the challenges faced by Mauritius as a result of globalisation and trade liberalisation in the wake of the GATT Uruguay Round and to sustain the growth rates experienced by Mauritius through much of the 1980s.

A number of institutions were also created beginning in the early 1980s to support the Mauritian reform programmes (Koop 2005, Jankee 2008 and AfDB 2009). Institutions are important in resolving conflict arising from various views on development approaches.42 Te Velde (2010b) argues that both public and private sector need to be organised or institutionalised so as to be able to gain credibility and that institutions and rules bring business and public sector together and help restrain collusive behaviour. Indeed Hare and Davis (2006) view “good institutions” as helpful for economic growth. A view supported by Stiglitz (1998), Rodrik (2004), Hausmann and Rodrik (2003), Rodrik (2001b), Sindzingre

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42 The UNECA (2001) identifies three types of market-supporting institutions that are pertinent to African countries – property rights, conflict management institutions and regulatory institutions.
(2005) and UNECA (2001) that without the right institutional infrastructure, liberalisation could fail to provide the necessary incentive for the creation of wealth. Balamoune-Lutz and Ndikumana (2007) also show that institutions play an important role in terms of enhancing the growth effect on trade – suggesting that as openness to trade achieves high levels, institutions play a fundamental role in harnessing the “trade-led engine for growth”. Jansen and Nordas (2004) come to the same conclusion when they found out that the quality of institutions has a significant impact on the openness of a country.\footnote{Jansen and Nordas (2004) further argue that domestic tariffs have little significant on their own but when combined with good institutions they affect total trade flows.}

Indeed Mauritius is considered to have strong institutions for political stability and for supporting reforms (Gulhati and Nallari 1990, Subramanian 2001, World Bank 2003, Imam and Mathieu 2008, AfDB 2009, IMF 2010, Imam and Kohler 2010). Most important is that Mauritian institutions provided the institutional structures for discursive engagement by actors to come up with workable ideas and policies. According to Rojid et al (2010) Mauritius has benefited from an active network of trade supporting institutions which have attempted to focus on specific services ranging from capacity building, research business facilitation, through to offshore market development. The EPZ Authority was established in support of the success of the EPZ project (Subramanian and Roy 2003). The National Economic and Development Council (NEDC) before being replaced by the National Economic Social Council (NESC) were deeply involved in the consultations for Vision 2020. The Mauritian Central Bank has also played an important role in exchange rate management as well as promoting Mauritius as an international financial hub and thus supporting diversification. A number of institutions were also established to support financial liberalisation. In the end trade policy was integrated into the construction of dense networks of institutions that facilitated structural transformation and growth. A scenario that resembles what happened in some East and South East Asian countries (UNECA 2004d). More so, the academia has not
been excluded with the University of Mauritius – on Government’s request developed a postgraduate programme in International Trade and Economic Diplomacy in 2002. As such the Mauritian academic community “has brought in its contribution to trade policy-making and to trade negotiations by training a new generation of negotiators and trade policy experts” (Ancharaz 2006: 24).

The other reason lies in the importance of the material that plays a critical role in the policy change and conduct of Mauritius policy-makers. Mauritius elites think that trade liberalisation is expected to help in the continued development of Mauritius and in a way satisfy the material requirements of Mauritians. As put by Ancharaz (Response 16/08/2010) that trade reforms were motivated more by “economic imperatives than political ideology.”

According to Brautigam the idea of ‘social harmony is diversity” and widely shared in Mauritius with Mauritians expecting that governments will spend their time in office to promote growth and build “social equity, create employment, and improve the standards of living” (1997: 56). Indeed the World Bank (2006) and AfDB (2007) are also of the view that maintenance of harmony has been an essential ingredient for economic growth. As argued by Morrissey and Nelson (2001) that the Mauritian government as a technocratic regime has had little influence of vested interests which tend to be offset by the desire to maximize the performance of the economy. Such regimes according to Morrissey and Nelson tend to embrace liberalisation or policy change if they are convinced that liberal policies will help in the improvement of economic performance.

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44 Response from Ancharaz.
45 The Mauritian newspaper Lexpress 28th May 2010 reported that Mauritius was ranked second in Africa for the ‘quality’ of life. This is according to the 2010 Mercer Quality of Living Survey which ranked Mauritius second behind Dubai in the Africa and Middle East region.
3.8 Conclusion

This Chapter has provided a background on the development of Mauritius through four epochs with trade policy at the centre of its development strategy. I have tried to show a detailed historical account of policy changes in Mauritius, which were realised because of the relationship between Mauritian elites and the political, economic and social context in which they finds themselves. For instance, the EPZ story demonstrates how a policy change came to fruition through collaboration between the Government, the private sector, the academic community, and economists, who brought the policy idea in the 1971-75 Development Plan – an idea that provide a break away from the heavy anti-export bias of the IS, providing the first critical step in the direction of export promotion. Consequently successive Development Plans 1975-80, 1980-82, 1984-86, 1988-90, 1992-94, Vision 2020 1997 and the National Long-Term Perspective Study, which continues to fashion the industrial and development strategy of Mauritius have trade policy at their core. As Ancharaz (Response 16/08/2010) argues Mauritius trade liberalisation has been “unilateral” and has been “sustained throughout the years” except in 2005 when it led to claims for greater protection. However, in some instances different problems were managed through variable policy emphasis across different epochs. For example the third and fourth epochs have emphasised policies aimed at maintaining or improving the conditions of national economic growth through targeting other sectors for increased trade particularly in view of the changing the international economic environment.

I have tried to explore the importance of trade liberalisation to the Mauritian economy from the pre-WTO period to the present in terms of employment, GDP per capita increase, and improving standards of living. The chapter demonstrates that trade remains an important factor in the continued Mauritian development agenda and hence trade liberalisation under the

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46 Response from Ancharaz.
auspices of the WTO. Because of the changing world economic environment the Mauritian government observed that the objective of Mauritius is to establish a dynamic outward-looking economy through liberal economic policy and through foreign trade liberalisation (WTO 1995e, 1995d, 2001e and AfDB/OECD 2008). As I tried to show in this chapter the strategy is to make Mauritius a competitive trade partner through full use of its comparative advantage and integration in the world trade system whilst at the same time ensuring that “all categories of producers are given a fair deal and a chance to participate in the development process” (WTO 1995e: 3). This makes trade liberalisation under the WTO significant to Mauritius.

As shown in this chapter that the period between 2001 and 2008 experienced intense international trade policy changes that had strong repercussions on the Mauritian economy which led Mauritius to start feeling the effects of the Uruguay Round Agreements (WTO 2008i) (see Chapter 7). The effects were largely due to the termination of the Multi-Fibre Arrangement, the gradual phasing-out of agricultural subsidies in Europe, price surge in basic food commodities, and the domination of the world by products from low cost competitors and the continuous erosion of preferences due to on-going trade liberalisation. According to the AfDB (2004), World Bank 2006 and Government of Mauritius/UNDP (2007) the main challenge faced by Mauritius is how to adapt to trade liberalisation and globalisation processes which bring with them fierce competition together with policy space constraints. The Mauritian government admits that these changes have had “profound impacts on the socio-economic structure of Mauritius, and required painful adjustments” (WTO 2008i). As a result, Mauritian elites have every reason to negotiate and push for the development of its political economy within the international political economy, and act in accordance with the wider societal interests /aspirations and act to advance the development of the Mauritian political economy.
The discussions in this chapter makes it a critical contribution to my thesis in that it sets out the broader debate on the development of Mauritius, the centrality of trade policy to development, and the need for constant policy changes as Mauritius engages with a changing global economy. Specifically, the chapter sets the basis for my argument that Mauritian elites face constraints placed by the process of deliberation and interaction with societal actors as they negotiate and pursue the development of the political economy of Mauritius within the international political economy. This ensures that the elites act in accordance with the wider societal interests/aspirations and act to advance the development of the Mauritian political economy. Since Mauritius trade policy forms the basis for engagement in the international trade system, the question that arises is how does Mauritius engage in the WTO and with ideas of multilateral trade liberalisation to realise Mauritian interests as well as ensure continued economic development for the country? I will start in chapter 4 by examining trade policy-making process in Mauritius as the first step towards engagement in the WTO before I examine the actual engagement in chapters 5, 6 and 7.
CHAPTER 4

MAURITIAN STATE AND TRADE POLICY-MAKING

4.1 Introduction

Pre-existing literature as discussed in chapter 2 examines the engagement of African countries in the international political economy without much consideration of the domestic processes of policy-making that contribute to our understanding about how these countries engage with the rest of the world. Yet examinations of these domestic processes and the context in which a number of agents other than political leaders (various elite groups, private sectors representatives, civil society representatives) interact reveal considerable insight on how some African countries relate with the international political economy the way they do. As argued in chapter 3, besides political leaders, there are a number of actors involved in trade policy-making in Mauritius, policy intended for promoting the development of the political economy of Mauritius within the international political economy. Such a trade policy policy-making process forms the basis for ensuring that those actors negotiating and promoting the development of the political economy of Mauritius in the WTO act in accordance with wider societal interests (intended or otherwise) and act to advance the development of Mauritius’ political economy. It becomes important to address the gap between policy making and its influence on engagement in the international political economy. However, our understanding of the policy-making processes is dependent on our conceptualisation of African states. Yet the views on the crisis of the nation-state in Africa have not so far been conclusive and remain largely divergent with a number of solutions emerging – solutions which have not been able to shed much light on policy-making processes. Central to the

\[47\] Leftwich and Hogg (2007) and Leftwitch and Wheeler (2011) have identified the existing gap in worldwide thinking and policy and the important role played by leaders, elites and government coalitions in the politics of development. I argue that failure to examine these domestic processes of policy-making in which human actors play a critical role affects our understanding on why African actors in the international political economy act the way they do.
examination of African states is the wide usage of the concept of neo-patrimonialism – a concept that has been under considerable criticism and indeed a concept that does not give us much in terms of policy-making analysis. This chapter seeks to try and reconceptualise African states as structures – that is contexts within which actors formulate socio-economic policies and pursue strategies for economic and social development. This allows us a greater understanding on how different African states make policy, the actors involved, and how in some instances the policy relates with the world at large.

Bearing the above in mind I try to use the SRA to examine and explain economic policy-making in Mauritius. In contrast to much of the pre-existing literature this chapter argues that policy-making in Mauritius is not a product of political leaders alone but an outcome of the interaction between various actors and the context in which they find themselves. Giving Mauritian trade policy-making as an example, the chapter argues that trade policy-making in Mauritius is an outcome of deliberation and interaction between various actors and the context in which they find themselves. I argue that Mauritian trade policy is a political output decided by policy makers, negotiators, political elites, diplomats, civil society representatives and business representatives through a process of deliberation and interaction albeit state structural constraints faced by these actors in making decisions/actions. This, as I will argue ensures that those actors negotiating and promoting the development of the political economy of Mauritius in the WTO act in accordance with wider societal interests and act to advance the development of Mauritius’ political economy albeit state structural constraints faced by these actors in making such decisions. I start by reconceptualising the African state using the SRA in section one which I will then use to identify the Mauritian state in section two. In section three I argue that the Mauritian state provides social, economic and political conditions for policy makers, negotiators, political leaders/elites, diplomats, civil society representatives and business representatives to decide on policy albeit on uneven terrain. I argue that under such
conditions the political elites have limited control over policy formation and impact on authority over the state. In section four I examine the deliberative and consultative nature of domestic actors and political processes and their influence on Mauritian trade policy formulation. I conclude by noting that the Mauritian trade policy is an outcome of a process of deliberation and interaction between actors within an uneven state terrain. Trade policy as such is an outcome of inter-subjectivity taking into account interests of various stakeholders to try and transform the state to what they see fit in meeting the wider aspirations/interests of Mauritians.

4.2 Reconceptualising the African state

Jackson (1987, 1990) and Clapham (1996, 1998) have given strong arguments describing African states as “quasi-states” which cannot meet the criteria for statehood. This view is an outcome of attributing the failure of the African nation-states to the continent’s colonial past which created artificial boundaries (Jackson 1987, 1990, Jackson and Roseberg 1982, Martin 2000, Nnoli 2000, Bardhan 1997 and Christopher 1997). This in a way created what Jackson (1987) called “juridical artifacts” of international law and politics of an “anti-colonial ideology of self-determination” (see also Buzdugan 2009). Christopher (1997) whilst agreeing with Jackson and Buzdugam goes further to argue on the emergence of “collapsed states” in the post-colonial, post Cold War era due to the revival of ethnic identities. Ellis (2005) calls such states “failed states.” Young (2004) also argues along the same line when he identifies a diminishing state presence in the 1990s that signifies the passing of post-colonial states in Africa – heralding a multitude of actors, war lords, civil society, religious groups, women’s groups, individuals, private sector, informal traders etc. Yet we can still identify the presence of African states which in most instances are different given their different socio-economic and political conditions.
Moreover a weak state does not entail conflict but the inability to promote economic development in a given country (Hare and Davis 2006). A view supported by Khan (2004) and Ndulu and O’Connell (1999) who argue that a failed state is when the ruling elites and other elite groups get hold of assets and enrich themselves at the expense of the society and are not bothered to engage in productive accumulation whereas a successful state is when the elite not only accumulate assets but use them for the economic development of the country. Again Aiku-Abubaka, Shaw-Taylor (2003) and Van Wyk (2007) emphasise the characteristics of weak states in terms of structural inequality comprising of economic differentiation, cultural inequality and political inequality. Acknowledging the existence of inequality in African states Engelbert (2000) attributes this to the post colonial African state not being an outcome of a “social contract”, “instrument of collective action” nor based on a common ideology but the adoption of neo-patrimonial policies. However, these various interpretations for the weakness or strength of states threaten coherent analysis. A possible solution is provide by Jessop (2000) when he suggests we allow more “variability in state capacities by policy areas over time and specific conjunctures” which calls for the use of the SRA as I shall show later in the chapter.  

In its usage in the African context, neo-patrimonialism entails the furtherance of personal interest of the political elites through often the employment of coercive instruments of state to monopolise power and deny or restrict political rights and opportunities to other groups (Soderbaum 2007, Akokpari 2004, Taylor 2005, Taylor 2007, Taylor and Williams 2008). Looking at the political culture in West Africa, Taylor and Williams (2008) are convinced that the elites are concerned about neo-patrimonial regime protection rather than democratic and human centred concerns. Akokpari (2004) and Davies (2010) argue to the effect that

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48 The SRA in state theorising according to Jessop (2007) is an ongoing project so much that the changing nature of the state and state power continues to bring new theoretical and empirical problems for strategic-relational analysts to address, which is the case in its application to Africa in this thesis.
Structural Adjustment Programmes (SAPs) and the benefits coming with multiparty states have helped entrench neo-patrimonialism. As argued by Nabudere (2000) that SAPs saw the “down-sizing” of the African post-colonial state that meant the erosion of the state’s role as a “defender and promoter of ‘national’ interests and the ‘social agenda’ and contract.” Instead there was an adoption of policies that are against the interests of the majority of the population. As a result, African states have “failed to mature into nation-states” remaining at the level of “imagined communities” (p. 11-55). However, such views on African states concentrate on the ability of state managers to independently exercise power without influence from the state and other non-state forces. It elevates the “causal primacy of agency over structure’ (Hay 2006c). Yet a closer look reveals the influence of a variety of agents such as individuals, pressure groups and social movements on the managers of the state let alone the “complex and ever changing relationship between the state and society, the public and the private” (Hay and Lister 2006).

At the same time the argument that neo-patrimonial regimes dominate African countries (Taylor 2005, 2007, Akokpari 2004 and Davies 2010) might be an erroneous view of African states. As argued by Pitcher et al (2009: 128) that it produces a kind of “African exceptionalism in political science literature” that provides a “convenient catch-all concept” for African poor economic performance. Indeed Chazan et al (1992: 250) think the neo-patrimonial statist have depicted a view of Africa that is “simultaneously well documented and brutal.” This according to Lumumba-Kasongo (2002) has contributed to the negative perception of African states as weak, failed and conflict ridden which has become part of the dominant scholarship in the West.49 Such a perception contributes to the weakening of a critical understanding of the different African states. Indeed Fukuyama (2005), Ellis (2005) and Booth (2009) warn against stateness being provided from outside. This for Fukuyama

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49 This perception is also shared by African scholars such as Nabudere (2000) Nnoli 2000 and Cheru 2002.
(2005) has the potential of undermining the ability of domestic actors to create their own effective institutions. As such grouping the types of neo-patrimonialisms together obscures the empirically varying degrees of badness as presented by each regime (Van Gool and Beekers 2010). As Brautigam and Diolle (2009) argue, one way to understand leadership is to examine the way structure choices for national political leadership. As such neo-patrimonialism is created contingently by political actors in social, political and economic conditions in which they are situated (Van Gool and Beekers 2010).

Moreover the use of the terms patrimonial and neo-patrimonial in the context of Africa has been seen to be conceptually problematic and a misreading of Weber (Pitcher et al 2009). For Pitcher et al in its Weberian sense the term patrimonial refers to a legitimate type of authority and not a type of regime. This type of authority includes “notions of reciprocity and voluntary compliance between the rulers and the ruled” that allows the ruled to check on the actions of the rulers (Ibid) – an aspect that is overlooked by neo-patrimonialism in the context of Africa. It becomes difficult to ascertain which African states meet the neo-patrimonial concept unless backed by evidence. As a result there is need to move away from these mischaracterisations, only to invoke the patrimonial and neo-patrimonial concepts when supported by evidence and allow a comparative analysis of the Africa state with states elsewhere (Pitcher et al 2009). Again as argued by Sangampam (1993) African states are not any different from most post-colonial states in Asia and Latin America and should not be viewed differently. Such a view by Sangampam tends to invalidate the causal link between the softness of the African state and its socio-economic features. Given such inadequacies about the neo-patrimonial state I think it is important to examine different states individually. This will allow a movement away from the use of the neo-patrimonial term as “handy labels to describe leaders, regimes and systems” (Pitcher et al 2009: 130). Instead we are able to identify a particular state for the purposes of a particular analysis.
This need for a rethink on the term neo-patrimonialism also comes in the wake of the renaissance of African leadership and the proliferation of actors challenging the state and its authority of power (Van Wyk 2007 and Akokpari 2004). This comes as no surprise in view of the changing configuration of the ruling elite in most African countries following the conjecture of changes in the global economic environment (Tyalor 2001, Taylor and Nel 2002 and Kotze’ and Steyn 2003). Moreover the composition of the configuration of the ruling elite differs with societies (Leftwich 2010). Given such changes it is fitting to rethink the neo-patrimonial state. Indeed Taylor (2006) on looking at the prosecution of past presidency in Zambia and Kenya offers a challenge to the neo-patrimonial scholarship that suggest embedded corruption in the African presidency. Taylor argues for the emergence of new norms and mechanisms of accountability in nascent democracies which besides facing constraints explain the changing state structures in emerging democracies. As suggested by Leon (2010) that the “big man rulers” are facing demise owing to the creeping of liberal democratic values on the continent – helping to create a “nuanced picture of Africa” (see also Dowden 2008). Such views support the argument for re-examining African states in relation to the changes taking place within and outside Africa.

Bearing the above debate in mind it is important that we try and adopt a different understanding of African states and examine them as “social constructs consciously brought about by political actors and societies” (Mkandawire 2001: 310). As acknowledged by Taylor and Williams (2008: 147) that the state is not a “homogenous and monolithic creation” but is a “social construct” influenced by the “societal soil in which it tries to take root and develop.” Dowden (2008) also acknowledges this view noting that African states are different and

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50 Leftwich (2009) argues that the concept of elite is ‘spongy and porous and elusive to pin down empirically with membership changing overtime as people come and go.
51 Van Wyk (2007) argues that two out of every five African countries was regarded as democratic.
52 This view does not in any way assume the total demise of semi-authoritarian and authoritarian states which tend to be neo-patrimonial in Africa but it would be of merit if states are examined individually.
different leaders are a product of their societies. Englebert and Tull (2006) also see the need for state differentiation noting the importance of country-specific characteristics especially as guarantors of domestic and international political order. Such observations call for the reconceptualisation of African states for us to be able to examine their policy-making processes, that form the basis of their engagement in the international system – what Young (2004) terms the “reinvention of the state” especially in view of the changing global environment. The re-conceptualisation of African states must highlight the divergent roles of the state which pre-existing literature tends not to emphasise much – one such role is that African states present different contexts in which human actors deliberate and interact as they relate with the state. It is therefore important to understand the contextual role of political elites that occur within given configurations of power, authority and legitimacy that is shaped by the structure (Leftwich 2010, Von Doepp 2009).

Acknowledging the controversies in identifying African states I argue for the use of the SRA as elaborated in chapter 1 as an alternative lens for identifying and examining African states. This is because the approach allows us to see states as different structures with different socio-cultural, economic and political contexts. If we look at the state as a structure as discussed in chapter 1 then the state provides us “the very conditions of social and political interaction” (Hay 1995) – where politics is exercised as “a process of governing an activity or range of activities” that are made “meaningful, significant and worth investigation by virtue of the context” in which politics occur (Hay and Marsh 1999: 7). Moreover African states have unclear boundaries which are subject to constant change and have multiple responsibilities making them intangible yet they shape the terrain for social and political life. Indeed, Hay (1996) argues that the state is not an apparent “material object” which makes it difficult for us to see its contribution to the understanding of the political process, the economy and the internal structures of the economy. As a result a reliance on theories of
African states as discussed above makes our understanding of the nature of the African states difficult leaving us without an analytical and precise definition of African states as objects of enquiry.

But Hay (1996) gives us an insight to a possible solution by his attempt to solve the problem of fixing the state into an object of analysis. Such an approach becomes valuable to the study of African states because state structures vary between societies. Indeed African states differ to a significant extent given their political, social and economic context in which political actors are situated. This makes it difficult to agree on the nature of a state in Africa but easier to agree on the nature of a specific African state. Also significant is that the state changes with time, an argument also put across by Biro (2007)\textsuperscript{53} so much that it is not surprising that states in Africa have been changing over time. Moreover unlike most Western states, most African states do not conform to the Westphalian model of modern day states (Van Wyk 2007, Englebert and Tull 2010) and as such should be examined differently. This allows us to take into account the individual character of states and the ability to treat the states differently (Ellis 2005).

Indeed Hay is of the opinion that we can agree on a set of core institutions of the state and be “clear for the purposes of particular analysis” (1996: 6). Hay further elaborates that in instances in which the state is regarded as a nation the state is seen as a community, the state as a national people (Ibid). The state boundary is symbolic or discursive (Hay1996 and Jessop 2002). The state comes from participation in a collective national culture and common identity through mobilisation of sense of belonging to national identity, nationalism and loyalty to a sovereign authority. As a territory, the state is seen as a strictly bounded sovereign territory (see also Jessop 2002, 2007). Lastly the state as institution refers to the

\textsuperscript{53} Biro (2007) views statehood as an entity that is in constant construction and reconstruction as regards its organisational structures, goals, functions, instruments and methods of governance.
administrative and organisational dimension of national identity with the state viewed as an
assemblage of more or less centrally coordinated apparatuses, institutions and practices (Hay
approach that I adopt in identifying a Mauritian state which I then use in my attempt to
understand the Mauritian political, economic and social processes. Accordingly like Hay I am
rejecting the notion of a state as a means of fixing thereby making the state static when the
state constantly experiences a changing network of relationships and institutional practices
and procedures. As a result of this changing nature of the state, I move away from defining
the state as a single, elusive, essence of “stateness” but rather define a number of different
aspects of stateness - the state as a nation, state as a territory and the state as an institution.
Most importantly I look at the state as an uneven playing field that is strategically selective
for social, economic and political interaction. Such considerations are important because of
their potential to provide valuable insight particularly not to see political actors in “voluntary
terms” in control of their destiny but to see actors in terms of their ability to realise their
intentions in complex contexts which impose their own “strategic selectivity.”

4.3 Mauritian state structure

Mauritius embodies all the three forms of stateness as identified above but I am interested in
its discursive and consultative sense – changing networks of relationships and institutional
practices and procedures. This enhances my understanding of the Mauritian political,
economic and social relationships in policy formulation. Thus it is important to understand
the Mauritian state as a structure in which actors are involved in deliberative and consultative
construction of the structure, institutions, policies and the conduct of actors. To this end, I
will examine the extent to which policy-makers, negotiators, political elites, diplomats, civil
society representatives and business representatives (who are the strategically selected actors)
interact within the state and with the state over which they have minimum control and the
extent to which the same actions are a product of rational intentions by these actors. This will allow me to show a relationship between the Mauritian state and the actors with the state providing us the social, economic and political contexts in which individual actors interact as well as have a range of potential actions.

At the same time the Mauritian state must not be seen as existing independent of the activities it governs and does not exist independent of policy-makers, negotiators, political elites, diplomats, civil society representatives and business representatives’ conception of what it is. The conceptions of what the Mauritian state is, is due to these actors not having full knowledge of the context but manage to aggregate their interest to determine Mauritian interests and policy through inter-subjectivity. This makes them agents of change with the state being a creation of the history of “struggle” (ANSA 2010b). As such, the role of the above strategically selected actors is to transform the state to what they see fit in meeting (intended or otherwise) the wider aspirations/interests of Mauritians which can only happen through the daily struggles of the people. As a result for us to understand the role of human actors in the developmental process of Mauritius we need to examine the role of these strategically selected actors in order to critically engage with the politics of economic growth, state building and social inclusion (see Leftwich 2010).

Unlike the argument given by Clapham (1998) that political elites act to ensure their survival and that of the state, the Mauritius case shows that the survival of the state allows and ensures the survival of the political elites. This is because of the intertwining relationship between the Mauritian state and strategically selected actors which is in such a way that the state favours a deliberative and consultative process of policy-making which does not allow the outright domination by the political elites but the involvement of different interested stake holders. This means if we are to view the Mauritian state as strategically selective then its preferred
strategy for policy-making is that of dialogue among the major identified actors. Under such circumstances different groups jostle for voice and presentation while the state provides a platform for the contest and airing of demands resulting in “catharsis” as well as the satisfaction that success brings (Bhagwati 2002). In the case of Mauritius, the state does not represent the working class nor is it a tool of the oligarchy, rather, the state “favours social and economic progress through industrialisation and local accumulation- what can be called ‘a national logic of accumulation’” (Meisenhelder 1997: 279-297). Under such circumstances decision-making has shifted from government and political elites alone to include a broader range of actors within the state. Such an arrangement on decision-making does not allow the political elites or any other elite group to highjack the state for its own purpose.

Instead the state selects certain actors and strategies. The Mauritian state has had capacity to “secure favourable opening and to persuade domestic actors to follow” – i.e. developmental state (Meisenhelder 1997: 279-297). Indeed Lincoln (2006) emphasises the stewardship of the state in effecting structural change and economic development in Mauritius. The major structural change was in the form of transforming the Mauritian economy from a monoculture exporting economy to an export manufacturing economy through the establishment of EPZ. The second structural change that Mauritius has embarked on involves the transformation of the island into a “cyber-island” envisaging a growth in Information and Communication Technology (ICT) sector, “both in GDP and employment terms” (Ibid: 59-78) (see chapter 3).

Thus the Mauritian state has been independent of the interests of capital allowing groups and individuals to shape the history of the country and its relationship in the international system. As early as the time of independence, Mauritian authorities favoured public private sector partnership “designed to achieve capitalist economic growth and a modern welfare state” (Meisenhelder 1997: 279-297)-Fabian socialism (see chapter 3). It seems Mauritius has been able to do this because the state favours certain actors to engage in a deliberative and
consultative manner in the domestic political process. This deep rooted deliberative structural condition of the Mauritian state helps shape the effectiveness of the state power. This demonstrates the creation of a ‘deliberative democratic developmental state’ as I shall show in the next section.

4.4 Mauritian state and economic policy-making

Before I focus on Mauritian trade policy-making, it is important that I give a broader context of economic policy-making in Mauritius. Mkandawire (2001) argues that Africa has had states that were developmental in both their aspirations and economic achievements against the thinking of the impossibility of developmental states on the continent. This means that African states have always tried to pursue national projects contrary to “deep-seated prejudice that make understanding of Africa’s strengths and weaknesses particularly difficult” (p.290). Gemandze (2006), Meyns and Musamba (2010) and (Musamba 2010) also talk of “democratic developmental states.” However, because of the emergence of different variants of democracies in Africa as argued by Van Wyk (2007), Leon (2010) and Engelbert and Tull (2006) I am going to examine the Mauritian state as a ‘deliberative democratic developmental state’ largely due to the way developmental policies are formulated which tends to be deliberative and consultative representing major interest groups in society. Indeed Mauritian policy-makers engage in a process of “mutual persuasion and arguing” allowing the competing of different perceptions of problems, ideas on solutions and policy solutions out of which one argument shapes the outcome of social learning process and national policy interest (Panke and Risse, 2007). This means that societal ideas are not just aggregated by the state but shaped by argumentative interactions with and among domestic groups (see chapter 3). The deliberative and consultative approach works well in Mauritius because of the presence of a large policy circle with many individuals, groups, and agencies playing a part in decision-making (Gulhati and Nallari 1990).
There are many reasons why governments decide to seek links or partnerships with the private sector and other stakeholders in formulating economic policy. Te Velde (2008, 2010a) gives ten points why state-business relations are important for economic performance. UNCTAD (2007) observes that consultation through partnerships results in a “master plan” that outlines national strategies as well as defines a process and series of steps for pursuing strategic objectives (see also Rodrik 2004). Cerny (1999) argues that alliances between governments and the private sector are vital for the creation of a “competition state” – (see also Te Velde 2010a, Sen and Te Velde 2008, Lin 2010). For Cerny such alliances will help in adjusting domestic economic policy to the requirements of the global economy. Loftus (2008) thinks that public-private sector partnerships are at the forefront of confronting inequalities of the global economy in a hopeful way. For Lee (2004b) such partnerships provide “social power arenas for the pursuit and construction of common interests and values” – through the removal of obstacles between government private sector relationships as well as obstacles to growth (Te Velde 2006, Leftwich and Te Velde 2010) due to benign collaboration between the state and the business sector (UNCTAD 2007, Sen and Te Velde 2008, Te Velde 2008, Rojid et al 2010, Leftwich and Te Velde 2010).

On the other hand Sen and Te Velde (2008) use a panel of nineteen Sub-Saharan African countries to show that effective state-business relations contribute significantly to economic growth – that countries that have shown improvements in state-business relations have shown higher economic growth (see also Leon 2010). Leftwich and Te Velde (2010) reach the same

54 A number of African governments like Mauritius have established such links for example Ghana, Zambia, South Africa and Egypt – Te Velde (2008) examines 20 sub-Saharan African countries which have institutionalised public-private dialogue (PPD) from 1970-2005 with Mauritius having the oldest PPD.
55 Some of the points by Te Velde include the promotion of economic efficiency through allocative efficiency of government spending and better growth and industrial policy as in the case of Mauritius; collusive relationships turned into collaborative relationships when leaders and the elite work together to form positive growth or economic development as in the case of India; and the ability of such relationships to avoid corruption and maximising inclusiveness. However there is no conclusion on how the effects work and how the nature of state-business relations conditions the conduct of effective policies conducive to economic growth (Te Velde 2008, 2010a). Nevertheless Lin (2010) observes that there is a broad consensus that both states and markets play critical roles in the transformation of economies – especially developing economies.
conclusion in their study of Ghana, Mauritius, South Africa and Zambia. In the case of Mauritius, Rojid et al (2010) show that the state-business relationship has had a positive and significant output in the long-run and has also promoted further openness of the Mauritian economy – it remains an ingredient in the growth of the Mauritian economy – a view supported by Leftwich and Te Velde (2010). For the purposes of this study the consensual nature of the partnership in Mauritius is illustrated by the aggregation of interests in determining the country’s trade interests, formulating trade policy and strategy as well as determining country positions in negotiations as I shall show below. Such partnerships help increase the capacity of the state in the global economy Lee (2004b) (see Weiss 2000).

Brautgam et al (2002) argue that Mauritians both the government and business attribute the success of Mauritius to the dense network of sound relations. For instance the entire business sector is represented in consultation with government through the Joint Economic Council (JEC) in which the private sector meet and discuss policy issues and budget proposals before dialogue with the public sector. The objectives of JEC is to provide “joint consultation among the various organisations of the private sector” and liaising with government and other bodies on issues relating to the social and economic development of Mauritius (JEC 2010). As such it brings together proposals from various segments of industry to engage in a structured dialogue with the “Authorities” (MCCI 2010). As a result the JEC has over the years become “institutionalised as a strong and legitimate ‘peak’ association for business” that includes groups that represent all major sectors working out broadly agreeable positions on economic policy (Brautigam et al 2002). It has become the primary institution for public-private sector dialogue with labour and other interest groups also represented and having a “vote and a voice” (Rojid et al 2010).
On the other hand the National Economic and Social Council (NESC) of 2002 is there to foster consensus through dialogue among social partners that include civil society, to find solutions to the social and economic problems facing the country (World Bank 2003). The Council has equal representation with workers organisations, business, civil society and government. The Council has also been encouraged to hold consultative meetings with relevant Ministries and the opposition parties. However, the strength of these linkages relies on individuals. As argued by Brautgam et al (2002) people move in and out of government and the private sector creating ties that strengthen the networks of which they are part. In the Mauritian state, the role of the Mauritian political elites and bureaucrats is the articulation of the country’s vision and viable strategy on how to support growth. The Mauritian elite demonstrated the capacity to do this through implementing policies such as on EPZ and structural adjustment with support from the IMF and World Bank (Brautgam et al 2002) (see also chapter 3).

Nevertheless the above partnership has its own weakness in that it leaves large parts of the population outside. Srebrnik (2002) argues that the poor Creoles especially the black ticolesi feel victimised and there is evidence to show that they are increasingly getting marginalised. Indeed Rojid et al (2010) argue that the public-private sector relations in Mauritius have not always been very cordial but both parties have always believed in dialogue and sharing of ideas for effective partnership. The government tries to balance the “interests of its main constituency, rural workers, against those of the small agrarian oligarchy and the less well organised manufacturers and factory workers” (Ibid: 45-62) within the tripartite arrangement. For instance the state was concerned about the welfare of the people and took bold decisions such as the sugar export tax in the 1970s which became the government’s main source of revenue and for supporting the welfare of the people (Rojid et al 2010). Mauritius ruling elites in this sense subscribe to Carroll and Carroll (1997) opinion that leaders
committed to the welfare of their public are likely to adopt policies that benefit the public and if successful are likely to enjoy longer periods in power. A view acknowledged by Prezeworski and Wallerstein that politicians seeking re-election must examine the impact of their policies on the decisions of business given the way these decisions affect employment, inflation, and the personal income of voters (1988: 12). For example, Mauritian Budgets have been prepared to reflect the high ideals of the Mauritian Government and to meet the aspirations of Mauritians (Ramgoolam 2009). 56

Indeed there seem to be commitment by government to ensure that the wealth created is translated into social progress and development for all Mauritians (WTO 1995e, Jugnauth 2004, 2005). As noted by the President of the Republic of Mauritius in an address to government, that the government believes in “putting people first” hence the mandate to bring in a new model of economic development through the “democratisation of the Mauritian economy” (Government of Mauritius 2005). It might be because of this commitment that Mauritius holds pre-budget consultation and dialogue open to a broader spectrum of stakeholders through open discussion and network usage, thereby allowing citizens from all walks of life to participate in the pre-budget process.

Moreover, policy initiatives are assessed by members of the public on the basis of their estimated cost and benefit for their own ethnic communities. Newspapers regularly report meetings between group leaders and prominent politicians and the extensive public consultation by the civil service often involve meetings with ethnically exclusive groups. As a result, the state is “constantly sensitive to the impact of its policies and programmes on each major ethnic community” (Carroll and Carroll 1997: 464-486). For instance, in recognition of the existence of pockets of poverty, a Committee on Poverty was created in 1999 and in the

56 Ramgoolam is the Prime Minister and Minister of Finance Economic planning and Development.
same year, the Ministry of Economic Development launched the “Poverty Alleviation Programme” targeting the most vulnerable groups (Handly 2008). Moreover the developmental state entails government intervention as a relatively autonomous actor in economic processes to carry out developmental ideals that have been conceived by the state (Meisenhelder 1997 and Carroll and Carroll 1997). It is in this light that I think Mauritian political elites see the advantage of a deliberative and consultative approach to policy-making. This approach is vividly illustrated in the country’s trade policy-making process, which builds the basis for Mauritians activities in the WTO, activities intended at pushing and promoting the development of the political economy of Mauritius within the international political economy. It is to this topic that I turn to.

4.5 Mauritian state and trade policy-making

It is important that before I focus on Mauritian trade policy-making I highlight the importance of the interaction between government and non-government actors to promote a country’s interests in the WTO. This is precisely because Mauritian trade policy-making involves both government and non-government actors. According to the South Centre (2004) one of the major constraints faced by developing countries in developing negotiating capacity in the WTO is the incoherence in national policies and in national policy coordination (see chapter 5). Indeed Narlikar (2004) argues that developing countries rarely successfully harness domestic support, including NGOs, to promote their interests in the WTO. Moreover there are remarkable discrepancies between positions taken in Geneva and positions eventually taken by developing countries’ capitals in the Ministerial meetings. Yet as argued by Hocking and McGuire (2004: 1-19) as the trade agenda gets more complex, “explaining how trade policy is formulated and articulated demands that the role and interactions of government and non-governmental actors be taken into account”- what Strange (1992) has termed “triangular diplomacy” based on the interaction between firms and governments.
Indeed Rosecrance (1986) talks of the “trading state” which demands that the government opens a dialogue with firms to prop-up the national wealth. While Lee (2004a) defines commercial diplomacy as “the work of a network of public and private actors who manage commercial relations using diplomatic channels and processes”. For Lee (2004b) diplomatic conduct is a product of the aggregation of interests.

Scholte (2004) argues that not only have the pressures associated with globalisation impelled the involvement of a range of actors in both bilateral and multilateral trade negotiations but have also provided the opportunity for such engagement. According to Hocking and McGuire (2004: 1-19) the changes in the international economic environment have enhanced the dependency of key actors, government, firms, and NGOs on each other-and diplomatic strategy has to adapt accordingly. Indeed Hay and Marsh (1999: 7) argue that “international political economy must be seen as pivotal to any contemporary analysis of processes of social, political and economic change (whether global, regional, international, national or local in scope and scale).” This is because of the complex “contingent and dialectical relationship between domestic and international dynamics” (Ibid.: 7). This means that negotiators have to engage simultaneously in two levels with both the domestic constituents and the international negotiating partners. As argued by Hocking and McGuire (2004) this link between the domestic and the international may encourage trade negotiators to “use it as part of their negotiating strategy.”

Moreover such an inclusive approach to trade policy-making (to include all stakeholders) can significantly contribute to the empowering of the people allowing them to persuade governments to adopt certain trade policies that can be beneficial for economic development, social equality and social justice (Kaukab 2010). The inclusiveness also enables a country to define national negotiating positions allowing the generation of proposals and positions in the
WTO as a bottom–up process (Bilal and Szepsei, 2005). This allows input generated at the national level with numerous consultations and co-ordination before it is finally delivered to Geneva. As put across by UBUNTU (2005) that at stake behind the many negotiating texts, drafts and documents in the WTO are people’s interests, needs and aspirations. Thus there should be strong support of what the country is negotiating for. Yet most developing countries have weak links between negotiators, policy-makers and stakeholders thereby “impeding their ability to build the political support needed for welfare improving reforms” Hoekman (2002:10) (see also South Centre 2004 and Kaukabu 2010).

However, there has been little research on the link between African countries domestic processes of trade policy-making and international dynamics. Yet a number of African countries have put efforts in establishing mechanisms for inclusiveness and coordination but still face a number of challenges. Kaukab (2010) gives examples of Malawi, Kenya, Uganda, United Republic of Tanzania and Zambia and highlights some of the challenges. Interviews with African WTO delegates (Botswana, Madagascar, Zambia, Swaziland, Kenya, Senegal, Namibia, Ghana), African Union (AU) officials and an academic from Nigeria show that most African countries had some form of Committee on trade policy formulation with a number of stakeholders but face challenges and problems largely due to the weakness of institutions that have been put in place for this purpose. For example a diplomat from Senegal lamented on the time taken by the Senegalese Committee on trade to make decisions leaving the diplomat relying on intuition to make decisions in the negotiations (Interview 28/07/2010).

Some diplomats expressed the problem that government tends to dominate and have a bigger say. For example in the case of Madagascar government ministries dominate the committee on

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57 The South Centre (2004) argues that institutional mechanisms for policy coherence and coordination that involves various stakeholders including domestic industry and civil society are effective in the identification of national interests in WTO negotiations and in the formulation of appropriate negotiating positions designed to make negotiators pro-active rather than reactive in the negotiations because it provides the negotiators with “policy foundation, objectives, and parameters for their negotiating strategy.”

58 Interview with a Senegalese delegate to the WTO.
Moreover these committees are in some instances due to WTO requirements under the Joint Integrated Technical Assistance Programme (JITAP) and tend not to be representative of all the stakeholders. As such there is generally “insufficient coordination” at both the policy level and institutional levels to adequately mainstream trade policy priorities into national development strategies (Oyejide 2004). A view also expressed by the Tanzanian diplomat that its trade committee faces the problem of sustainability in terms of difficulties in assembling stakeholders together (Interview 04/08/2010). Under such circumstances there is a greater chance that client-patronage relationships may thrive. As put across by an AU official, “stakeholders who have some leverage and personal connections to the source of power can influence to some extent the policy-making process” (Response 29/07/2010).

The situation looks different for Mauritius which has a long history of collaboration in trade policy-making. Mauritius has a tradition of collaboration on projects designed to improve the country’s economic and trade prospects (Stoler 2005, Ancharaz 2006). What Handly (2008: 109) calls the “corporatist model of policy making” or economic “governance via negotiation.” There exists close government and private-sector collaboration on policy development in areas of trade negotiation under the WTO auspices. According to the Government of Mauritius, Mauritius has a structured approach between the government and private sector with the private sector also fully involved in the negotiations at multilateral, regional and bilateral levels (WTO 2008i). In pursuance of such collaboration and policy development, a standing committee oversees the work of nine different sub committees where private sector and government share responsibility for policy development (Stoler 2005). As a result the Mauritian private sector has a high level of political capacity that allowed the

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59 Response from a Madagascan delegate to the WTO.
60 Interview with a Tanzanian delegate to the WTO.
61 Response from an official from the Africa Union.
sector to receive a receptive hearing from the government (Handly 2008). As observed by the President of the Mauritian Chamber of Commerce and Industry, the Chamber’s contribution in developing Mauritian trade negotiating positions and in participating in the negotiations continues to make the Chamber the “common private sector partner of Government in all trade negotiations” (Mauritian Chamber of Commerce and Industry 2010).

Moreover the Chamber remains the focal point for almost all visiting trade delegations to Mauritius. As a result government and private sector in Mauritius are embedded in what Brautgam et al (2002) call “networks of social relations” or “state-society linkages” geared at providing institutional frameworks for policy negotiations (see also UNCTAD 2007). Yet the trade agenda has been evolving characterised by changing configuration of political forces (Hocking and McGuire 2004). How has Mauritius been able to deal with such changes? How do Mauritian diplomats and negotiators best respond to challenges and pressure from the domestic constituencies and the changes in international trade politics? The answer partly lies in that Mauritian trade interests evolve discursively. This means that Mauritian interests are not determined by the individual actors but are an aggregation of interests.

Given the importance of “national interests” when engaging in the WTO negotiations it is interesting to establish how the Mauritian state determines which domestic concerns to take to the international level, especially under conditions where trade policy focuses on balancing the economic interests of a range of domestic constituencies. According to Dulloo, the former Mauritian Minister for Foreign Affairs, Regional Integration and International Trade, Mauritius has been able to represent the interests of Mauritius guided by the ambition and vision of improving the livelihoods of Mauritanians (2007b: 1). This is because of the realisation that trade negotiations involve the interaction of parties in which all sides are expected to defend their countries’ interests and “where diplomats seek accommodation with
other parties on the basis of quid pro quo that can be defended to their political masters” (Winham, 2007: 229-247). Political masters who in turn serve the people as observed by Dulloo that “it is good that we should listen to the voice of the people, to our constituents. We should put our nation first, our people first” (2006b: 4).

Moreover as argued by Stiglitz and Charlton (2004: 1-10) national governments do not behave as though they are maximising the welfare of a representative citizen but instead governments try to manage domestic trade-offs within international negotiations. But in the case of Mauritius, because voters in Mauritius are not conversant with the importance of trade in determining who to vote for and because political parties share almost the same ideology, trade policy is “unlikely to be determined by politics” (Responses 16/08/2010)\(^6\) (see also chapter 3). Thus because of its political arrangement the Mauritian state allows the serving of Mauritian interests rather than only those of individual political elites and their client patronage. For instance the predominance of local capital in Mauritius is one reason why the country has managed to avoid “the relationship between export orientation and developmental failure” that is stressed by the dependency theorists (Meisenhelder 1997: 279-297). This has in a way allowed successive governments and other stakeholders to be involved in trade policy formulation and its advancement in the WTO negotiations.

To this end the Trade Policy Unit (TPU) has led trade policy formulation in a well-structured and consultative manner. The TPU vision is to “ensure the smooth integration of Mauritius into the globalising and liberalising world economy” and its mission is to “formulate” Mauritius Trade policies to ensure that Mauritian concerns are “adequately reflected in Multilateral and Regional Trade Arrangements and Global Trade rules” (Ministry of Foreign Affairs Regional Integration and International Trade 2009b). As argued by Dulloo (2007c: 4)

\(^6\) Responses from Ancharaz
that the Mauritius government has “always pursued a proactive, adaptable and pragmatic diplomacy aimed at promoting the national interests of Mauritius in the global context”. Under the TPU the Standing Coordination Committee has the mandate to examine all issues under the WTO Agreements (Ancharaz 2006, Rojid et al 2010, and WTO 2001e, 2008j). The structure consists of a Core Group with 12 Sub-committees dealing with a specific WTO issue or agreement. The Sub-committee on Services further splits into five Working Groups indicating the importance of services negotiations to Mauritius. The Working Groups report to the Sub-committee that reports to the Core Group. According to Acharaz (2006) and (Interview 27/07/2010) the meetings are issue driven leading to meetings being held on an ad-hoc basis. In most instances the Geneva diplomats raise an issue with the Government resulting in the Core Group requesting for the specific Sub-committee to meet and discuss until a consensus is struck and a particular policy position is adopted in relation to the issue.

However, despite having experience in inclusiveness in trade policy formulation it was not until 1996 that this became formal and organised (Ancharaz 2006, WTO 2001g). This marks the time when Mauritian commercial diplomacy started in earnest. Indeed Ancharaz (2006) argues that the Mauritian commercial diplomacy remained dormant from 1975 until the birth of the WTO in 1995. Joining the WTO in 1995 meant an expanded trade agenda that required a new approach to policy formulation from the old ways of doing things which was informal and disorganised. This was done by “re-hauling” the process of trade policy formulation (Ibid.). In an effort to allow private sector involvement not only in trade policy formulation but negotiations, the government in 1995 allowed the Chamber of Commerce to engage in trade negotiations for the first time during the Southern Africa Development Community (SADC) Trade Protocol. This according to a Chamber official allowed the private sector to participate in a meaningful way in “all trade negotiations” which involves “the sharing of

63 Interview with an official from Ministry of Foreign Affairs, Regional Integration and International Trade.
information, the development of common negotiating stands and participating in actual negotiations” (Cheeroo 2004a). The new approach saw national-level committees, sub-committees and working groups that comprised balanced representation of the government and of the private sector at times with representation from NGOs, consumer groups, labour and international agencies coming in a collaborative manner to formulate trade policy.

For example on 15 January 2009, the Joint Public Private Sector Committee on International Trade Issues (JPPSCITI) met to initiate discussions among stakeholders on strategic approaches to enhance the participation of Mauritius in world trade in services (Boolell, 2009). The JPPSCITI came up with a Roadmap for Trade Negotiations setting the priority areas in trade negotiations and to “ensure an all-inclusive approach” in the elaboration of negotiating positions in different trade negotiations (Mauritian Chamber of Commerce and Industry 2010). The meeting was also aimed at focusing on strategies to be adopted by Mauritius in the WTO and EPA negotiations – “the need to balance the offensive and defensive interests of Mauritius, the identification of sectors where Mauritius would be willing and ready to take liberalisation commitments and the need to ensure coherence and consistency to the extent possible in the different negotiations” (Ibid: 1). Such a domestic approach according to Boolell is meant to “encourage participative consultations and multi-stakeholders dialogue” in developing Mauritius’ “national services export strategy as well as in developing negotiating positions”(2009:1). A view supported by Chairman of the JPPSCITI that everything is done through consultations in the WTO standing committees that come up with ideas that feed in the WTO (Interview 27/07/2010). The aim is to forge an “integrated and multi-sectoral approach to multilateral, regional and bilateral trade negotiations” (Boolell 2009: 1).

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64 The JPPSCITI was created to strategise on the measures required to cope with challenges of trade liberalisation and to maximise of trade arrangements signed by Mauritius.

65 Interview with an official from Ministry of Foreign Affairs, Regional Integration and International Trade.
The Mauritian approach shows what Lee (2004b) terms the “formal embedded business representatives” in trade policy formulation – that involves the aggregation of public and private interests ‘within the state.’ Under this approach, the Ministry of Foreign Affairs, Regional Integration and International Trade will focus on the tradability of services that includes market access and trade rules whilst the other sectors assume roles in formulating and development plans and frameworks in their respective areas (Boolell 2009). The private sector is expected to help in identifying priority sectors and sub-sectors; help government in keeping watching briefs on WTO activities and negotiations in their sectors: and contribute to the preparation of a strong Mauritian service negotiating positions in the WTO. For example Servansing (2003a), writing in the Chambers News, observes that Mauritius allows private sector participation through their representation in determining Mauritian interests and negotiating positions in the WTO services negotiations. In its effort to see Mauritius achieve an E-island status and develop the country as a hub for Information and Communication Technologies (ICT) Mauritius is giving the ICT Sector top priority in the WTO Doha Round of Negotiations for trade liberalisation as part of its international cooperation strategy in the area. As a result although Mauritius’ capacities are still insufficient and seriously strained, Mauritius is more able to cope with the trade agenda (Bilal and Szepe 2005). This has been made possible by Mauritius’ well-established tradition of involving the private sector in trade policy formulation.

However, because of the uneven policy-making terrain (as I have already identified) the process of trade policy formation like that of other policies has not been smooth as argued by Bhowon et al (2004) and Ancharaz (2006). Indeed Ancharaz (2006) argues that the institutional process lacks transparency and has been influenced by the major sectors of sugar, manufacturing and services with services having the least influence. At the same time it has left out the interests of other people and groups such as those in informal trading, peasant
farmers, crafts men. Indeed a Mauritian delegate to the WTO (Interview 09/08/2010)\textsuperscript{66} pointed out that the process of trade policy-making is not inclusive of all interested parties such as small communities and marginal groups especially when trade is discussed at the multilateral levels because of the lack of representation of these smaller groups.\textsuperscript{67} However, the same delegate thinks the process is “quite representative” as it is dominated by the large groups who play a greater role in the economy (Interview 09/08/2010).\textsuperscript{68} It is the thinking in this study that the benefits from trade to smaller groups and all Mauritians are contingent rather than intended by the major stakeholders. At the same time, the stakeholders concerned have been able to reach consensus on most policy issues which have driven the economic development of Mauritius.

Moreover general information on the WTO and trade has been disseminated to the public in general through press conferences and question time (Ancharaz 2006). This means that the trade policy formulation process functions well but there is room for improvement (Ancharaz 2006). Moreover the policy-making process has, in a way, contributed to economic nationalism with the economy becoming more or less a unifying principle at the expense of inter-cultural identity that might lead to instability. Indeed as trade liberalisation and globalisation unfold, there have been losers and winners in Mauritius resulting in unequalisation (Koop 2005, Bunwaree 2002). This means the need for Mauritius to find new ways to ensure the continued growth of the economy and maintain the economy as a unifying principle as has been the case.

\textsuperscript{66} Interview with a Mauritian delegate to the WTO.
\textsuperscript{67} This view shared by a Tanzania diplomat and a Nigerian academic that some sectors are not represented in the trade policy making process and WTO issues are known to few people (Interviews with Baukole and a Tanzanian delegate to the WTO).
\textsuperscript{68} But in the case of Tanzania WTO issues are now starting to flow and get to be known in the public domain allowing the public to have an input of ideas (Interviews a Tanzanian delegate to the WTO).
\textsuperscript{68} Interview with a Mauritian delegate to the WTO.
4.6 Conclusions

In this chapter I have tried to use the SRA to identify a Mauritian state that is democratic and developmental and also deliberative and consultative, which is a state selected strategy in its policy-making. I have tried to do this in order to demonstrate the relationship between strategically selected actors and the state in policy making. Giving trade policy-making as an example I have tried to show that in Mauritian, policy-makers, negotiators, political elites, diplomats, civil society representatives and business representatives are involved in trade policy-making at the expense of other actors such as peasant farmers and informal traders. At the same time I also tried to show that these actors use a deliberative and consultative strategy, through dialogue in trade policy-making. The selected strategy allows a deliberative and consultative interaction between these actors and the state to decide on Mauritian trade interests which are then taken into the WTO. Because these actors make trade policy on an uneven state terrain they tend to collaborate through deliberation – making trade policy an outcome of inter-subjectivity through various agents. This has resulted in the political leaders not having outright control in the process. Instead political leaders try and balance the interests of different interest groups, including the disadvantaged, in an effort to meet the interests of Mauritians, leading in some instances to some leaders contingentially remain in power.

Lastly I have tried to show that the Mauritian process of trade policy-making has not only laid the basis for diplomats to try and serve Mauritian interest in world trade but also allowed policy change over the years with the realisation that Mauritius is dependent on the trading system for its economic growth and that trade can contribute to economic growth and raise levels of living standards. The process also allows Mauritius to try and take its divergent economic interests in the multilateral trading system. Thus the domestic process of policy making does not only form the basis for engagement in the WTO but also ensures that those
actors negotiating and promoting the development of the political economy of Mauritius in the WTO act in accordance with wider societal interests and act to advance the development of Mauritius' political economy. But because of the uneven terrain at the WTO Mauritian diplomats and negotiators are involved in yet another form of collaboration through coalitions as they deliberate and interact with other actors. This forms the subject matter for the next two chapters.
CHAPTER 5

THE WTO AS AN UNEVEN PLAYING FIELD AND THE CASE FOR COALITION STRATEGY

5.1 Introduction

In my previous chapter I used the SRA and argued that Mauritian trade policy is a political outcome decided by a variety of actors through deliberative and consultative interaction albeit state constraints in making such decisions. As argued in the previous chapter, it is the social and political actors in relationship with the Mauritian state that influence Mauritian trade interests and the activities of Mauritian actors in the multilateral trading system. The purpose of this chapter is to use the SRA to explain the uneven WTO negotiating terrain. This is important because it gives a background on the uneven terrain in which Mauritian negotiators and diplomats find themselves – an institution in which members select certain strategies than others. It is also important because it allows us to explain the constraints placed on Mauritian actors in the process of WTO negotiations as they attempt to push for the development of the political economy of Mauritius within the international political economy and how such constraints can be circumvented.69

I will start in the first section of this chapter by arguing that it is not the Mauritian state which exercises agency in the WTO but diplomats and negotiators. This is important as it helps to show that structures/institutions are not reducible to actors, thus avoiding viewing the Mauritian state (which is a structure as argued in the previous chapter) as an actor in the WTO, yet we know that the relationship between the Mauritian state and human actors is

69 The same constraints are faced by other African agents as they negotiate and deliberate with other actors in pushing for the development of the political economies of their countries within the international political economy.
dialectical. In section two I will try and conceptualise the WTO using the SRA in an attempt to generate some theoretical and empirical insights on trade negotiations in the WTO as well as demonstrate the explanatory power of the SRA. This allows a dynamic understanding of the relationship between the Mauritian negotiators with other negotiators in choosing negotiating strategies and deciding on outcomes that might be in favour or disfavour of the wider societal aspirations/interests of Mauritius. My approach is important as it allows us to explore the micro-foundations of the WTO institution and at the same time try to explain what agents do and why they do it. This is made possible because the SRA allows us to overcome the dualism of institution, context and conduct and structure and agency.

In section three I argue that the asymmetry and constraints in the WTO are a product of human creation and can be presented as both relational asymmetry and structural asymmetry. As such section four examines the relational asymmetry as a result of state constraints faced by Mauritian diplomats and negotiators in their activities in the WTO and section five examines those constraints that are a result of the WTO institutional structure. Such an explanation of the constraints faced by Mauritius and other African countries is important as these constraints have contributed to the creation of coalitions which are “loose” social constructions aimed at trying to level the negotiating terrain. Building on the already existing knowledge on the creation of coalitions in the WTO, I argue that coalitions are a consequence of strategic action built on perceptions of the WTO negotiating context that favours certain strategies, actors and perceptions over others. This means that the behaviour of actors and the strategy which they consider, the strategies which they use reflect their understanding of the WTO negotiating context. As such the creation of coalitions becomes a strategy which Mauritius diplomats and negotiators consciously opt for as they deliberate and negotiate in the

WTO with the aim to make gains from the WTO negotiations. However, despite altering the power dynamics in the WTO, developing country coalitions have not helped much to sway major decisions in effectively meeting the developmental concerns of Mauritius and other African countries. As such power reconfiguration has not brought with it meaningful or significant development outcome for Mauritius and other African countries. This I argue is partly a result of the lack of negotiating capacity within these coalitions, which affects their deliberations and interactions rather than marginalisation solely by the WTO strategic context. This is so because agents are capable of making institutions achieve a number of outcomes even though they have imperfect information about the various contingencies in which the negotiations will take place.

5.2 Mauritius actors in the WTO

A lot of literature talks of state/country involvement in the WTO (Insimbabi 2000, Lee 2004c, Nalikar 2003, Wilkinson 2007, Page 2002, Jawara and Kwa 2003, Hogdges 2004, Hoekman and Mattoo 2007, Hocking 2004, Hocking and McGuire 2004, Rolland 2007, Draper and Qobo 2007 and Mosoti 2006, 2003). Indeed Mosoti (2006) sees African countries as players in the WTO with Lumumba-Kasongo (2002) viewing the African state as the most visible actor in World politics. Given the argument in chapter 1 on irreducibility of the state I argue on the relevance of diplomats and negotiators in explaining Mauritius’ engagement in the WTO. This is because it is difficult to view the Mauritian state as an actor and yet in chapter 4 the same state was seen as a structure. In my preliminary communication aimed at seeking interviews with the Mauritian Geneva Mission, the Head of Mission noted “we wish to point out that most of our diplomatic agents engaged with WTO work are officers of the Ministry of Foreign Affairs, not necessarily trade experts/specialist” (E-mail 02/11/2009)\textsuperscript{71}. Such a statement helps to explain that the Mauritian state is not an agent in the WTO but diplomats

\textsuperscript{71} Communication from a Mauritian delegate to the WTO.
and negotiators. As argued by White (2004:279) the state activity is always the “activity of particular individuals acting within particular social context.” Indeed the Mauritian Times (2010) highlights the importance of diplomats and negotiators when it notes “we simply cannot ignore the recurring cultural and personal variables in the foreign policy encounters of our country.” Moreover moving from the human agency approach to state agency would not only entail reifying the state but obscure the human activities including the involvement of the business in commercial diplomacy. Thus when the state is said to act it is individuals acting in a particular structural context on behalf of the state. It is in this light that I am going to examine the engagement of Mauritius in the WTO. I view Mauritian diplomats and negotiators as agents acting on behalf of the state.

Mauritian negotiators include both government officials and private sector representatives. As discussed in chapter 4 there are increased business-government partnerships which have become “key organising principle as well as an attribute of the state in the world economy” (Lee and Hudson 2004). As such diplomacy should be seen not as an “instrument of an autonomous public actor (the state) but as an aggregate of public and private interests within the state” (Ibid. 2004). This means that the Mauritian private sector representatives are not only able to use the state to make an input in the WTO but to act in the WTO as agents on behalf of Mauritius. As argued by Lee and Hudson (2004) that we can talk of the moves of private interests using “public political authority (the state) to control the market.” Indeed the duo further argue that an analysis of commercial diplomacy exposes the relationship between “human agency and systemic transformation and stability” – adding weight to the structure agency approach. Hocking and Lee (2006) also argue in the same way when they looked at Canadian diplomatic representation in the United States. This allows us to move away from the state centred approach that views the state as an actor. Thus we should recognize the importance of “agents – that is diplomats” – as “significant actors” in the world economy. As
a result we are able to capture the activities of Mauritian diplomats and negotiators as dictated by human intuition thus running away from the problem of treating actors as passive reflection of the roles assigned to them by the state/WTO – allowing room for reasoned judgment through which real actors make decisions. Such decisions are not intended for the marginalisation of Mauritius but for achieving outcomes that push for the development of the Mauritian political economy within the international political economy. Having said this it becomes important to conceptualise the context in which the Mauritian diplomats and negotiators find themselves. This forms the subject matter for the next section.

5.3 Conceptualising the WTO in the SRA

The WTO in most instances is regarded consciously and unconsciously as an institution/organisation. A number of scholars (Wolfe 2006; Wilkinson 2008, Chorev 2005, Van den Bosche and Alexovicova 2005, Narlikar and Wilkinson 2004 and Draper and Qobo 2007) tend to conceptualise the WTO in the new institutionalism approach. However, despite new institutionalism offering unique and valuable insight in the WTO it remains limited in its explanation. This is largely because institutionalism fails to adequately account for the dualism of “institution and intention, context and conduct, and structure and agency” (Hay and Wincott 1998) – more so that of the individual and the institution – the human agency and the context. For example historical institutionalism is structuralist in its approach because of its emphasis on the mechanisms of institutional constraints (Hay 2002). Yet because structures are strategically selective rather than structurally selective, there exists scope for actors to circumvent structural constraints as I shall show in this chapter. Again there is the problem of distinguishing the relationship between trade scholarship as an institution and the WTO as an institution (Nicholas 1998). Moreover as Heron and Richardson (2008) argue, because historical institutionalism puts much emphasis on path dependency, there are a lot of

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72Krasner (1976) talks of the structure of international trade which he refers to as the degree of openness for the movement of goods – a structure that has changed over the years.
questions arising as trade liberalisation occurs. Some of these questions might mean going beyond historical institutionalism in our examination of the WTO.

It is only when we understand institutions “less as functional means of reducing uncertainty, so much as structures whose functionality or dysfunctionality is an open – empirical and historical – question” (Hay and Wincott 1998: 151-157) that we can look at the WTO as an institution capable of innovation, evolution, and transformation and capable of linking the subject in a ‘creative relationship with the institutional environment.’ Within this perspective, changes in the WTO can be explained by the relationship between actors and the context in which they find themselves “between institutional ‘architects’, institutionalised subjects and institutional environment” (Ibid: 151-157). As argued by Granovetter (1985) that the attempts by actors for ‘purposive action’ are “embedded in concrete, ongoing systems of social relations.” Clark (1998) also puts it that it is difficult to “separate the actors from the set of rules that structure their behaviour” and White (1999) attempts to show that the agency is ‘embedded’ in the structure and is dependent upon, structural contexts.’ To this end Jessop (2001b) raises the need to contextualise the institutional turn and proposes SRA as one dimension of a contextualised institutional analysis. Institutional turn according to Jessop is important in so far as it allows us to assess the values institutions add in social science and their usefulness in making and implementing policy. It is in this observation by Jessop that I use SRA to try and explain the WTO in an attempt to generate some theoretical and empirical insights on trade negotiations in the WTO.

By adopting the SRA in contextualising the WTO I also aim at showing the explanatory power of the approach.73 Such an understanding of the WTO may help explain why there are practical linkages between trade and other social aspects such as environment, labour,

73 I adopt this approach well aware of its limitations in explaining institutions as elaborated by Jessop (2001b) but also aware of the advantages it offers in providing new insights on the social relations in the WTO.
investment, health etc. – the ability to explain societal issues and the WTO. It also helps explain why some actions circumvent structural constraints. As Brautigam and Diolle (2009) argue, institutions do not operate independently of society but are shaped by agents who agree to work within the confines of these institutions. A view acknowledged by Leftwich (2009) that institutions cannot be completely understood without examining the role of agency. It is in light of such argument that I think the WTO has “recursively reproduced sets of rules and resources that constrain and enable social action” (Jessop 2001b). I think we can fully understand the WTO when conceptualised in the SRA, which allows us an insight in the social relations and how they bring about change in the WTO. Most importantly for this study, it allows us to ask several questions regarding the relationship between the WTO and Mauritius negotiators. How does the WTO institution affect Mauritius negotiators in the WTO negotiating and decision-making process? How do Mauritius diplomats and negotiators influence the WTO negotiating and decision-making process? How do Mauritius diplomats and negotiators influence changes and transformations of the WTO? How does the WTO influence Mauritius’ strategies in the WTO negotiations?

While a number of scholarships tend to examine the activities in the WTO using the pluralist definition of power (Lee 2004c, Wilkinson 2008, Bergstein 2005, Bhagwati 2005, Noland 1999 and Bridges 2009a), I think for us to answer some of the above questions we have to look for a broader definition of power. 74 According to Lee (2004c: 120-132) the effectiveness of the WTO procedures is weakened by lack of transparency in procedures, the dominance of powerful states and the weakening of the developing countries together with the marginalisation of LDCs. For Lee therefore the rule-oriented diplomacy has in a way failed

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74 I am aware of the complexities of what is power but my argument is from my understanding that power can “serve to identify the production of significant effects through the interaction of specific social forces within the limits implied in the prevailing set of structural constraints” (Jessop 2007). As such the analysis of power in the WTO is closely connected with the analysis of the WTO, resources, modes of calculation, strategies, and tactics of different agents and the relations among these agents which determines the overall balance of forces in the WTO.
to replace the power-oriented diplomacy with “rules, norms and practices” of dispute settlement still determined to a large extent by power politics. Yet the relations in the WTO go beyond power relations as defined in the pluralist sense. This is so because the pluralist definition of power relations in the WTO tends to be narrow and might not be analytically useful in an institution comprising 156 members and a lot of coalitions. This is precisely because the definition is actor-centred and instrumentalist so much that we will end up looking at the WTO as an instrument rather than an institutional structure.

Another way of looking at power relations in the WTO has been by looking at the WTO agenda setting for the negotiations and decision-making process. This approach might be important because it makes it possible to consider the informal processes of agenda setting and the weighting of issues in the negotiations and decision-making process. But this might mean that we cannot be able to tell the perceived interest of Mauritius if we are to assume them to be the subject to the negotiations. Moreover there are strategies and struggles that characterise the WTO decision-making process as well as actions and inactions in setting the agenda to achieve their interest. This is because institutions are characterised by structural contradictions (see Jessop 2004b, 2007). However, agents are still capable of making the WTO institution achieve a number of outcomes even though they have imperfect information about the various contingencies in which WTO bargaining will take place.

Yet Wilkinson (2008) argues that the “promise for gains for all” in the WTO has “obscured the institution’s actual function” and that the WTO’s institutional performance can be measured in the WTO’s capacity to fulfil inequitable distribution of gains from participation by members. For Wilkinson the WTO as an institution must be understood better in its role “in maintaining and consolidating the relative distribution of power in the global political economy” (ibid: 3). But this argument by Wilkinson amounts to isolating the WTO from
actors and does not address the ways in which actors may choose to change certain rules and not others. The argument does not also address the changes in power configuration as observed by a number of scholars. For instance Bergsten (2005) thinks a larger and diverse group of developing countries “has veto power” at every stage of the decision-making process and Noland (1999: 78) thinks the “playing field has now become more level.” Bhagwati (2005) talks of developing countries with a “modicum of power” and Bridges (2009b) alludes to changes in power relations and international cooperation. Indeed an AU official notes that the WTO power dynamics have changed significantly such that the “developed countries cannot longer single handed conclude deals behind the scenes and shove it down the thoughts of all other members” (Response 29/07/2010). Given such changes in power configuration it is difficult to justify marginalisation in the WTO if marginalisation is understood as “synonymous with the relative or absolute lack of power to influence a defined social entity while being recipient of the exercise of power by other parts of the entity” (Adedeji 1993: 1-14) or a “process of exclusion especially by relegation to the outer edge of a group” (Chinery-Hesse 1993).

Furthermore there are several questions to be answered. Does this mean that the growing influence and power by developing countries entail a reduction of power somewhere within the WTO? If so where? Does this mean redistributions of power or imply that there is no maintenance and consolidation of the relative distribution of power as argued by Wilkinson? If this is the case, it becomes important to examine the activities of the actors, who influence the outcome e.g. the maintenance and consolidation of the relative distribution of power. As argued by Wolfe (2006) it is power in the WTO that is problematic in terms of hierarchical classification of actors and this is not always analytically helpful in the context of the WTO because power is a product of social relations. Indeed Keohen (1998) argues that where there

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75 Response from an Africa Union Official.
are multilateral negotiations relative gains are difficult to calculate and entail. Probably one way we can explain the outcome as presented by those who use the pluralist definition of power is to explain the WTO in the sense of power being managed by technocrats and supervised by high government officials (Keohen 1998) – elites who are human actors. But such an explanation does not allow us insight on the relationship between the WTO and negotiators. It is therefore critical to examine the WTO in the SRA as this allows us to explore the relationship between negotiators and the WTO context and the strategies employed – allowing us to explain the power shifts in the WTO.

Moreover, it is the same strategies as used in the WTO that developing countries have managed to bring in development concerns on board the Doha Development Agenda (DDA) forming the basis for negotiations under the Doha Round. According to a delegation from Swaziland the ACP countries “want the Doha Round to be a developmental round and have adjustment compensation” (Interview 16/07/2010). This view is echoed by an AU Official that the major concerns for African countries in the WTO negotiations is the “rebalancing of the WTO Agreements, provisions of adequate and flexible policy space to pursue national developmental aspirations” (Response 29/07/2010). Indeed the African Union in its Abuja Ministerial Declaration on the Doha conference reaffirmed its commitment to the rule-based multilateral trading system (MTS) as “an instrument for the promotion of economic development, the facilitation of Africa integration into the global economy, and the eradication of poverty” (Mosoti 2003, WTO 2001c, 2009d and 2000). This might imply that key developing countries must participate actively in any effective way to bring the Doha Round to a success (Bergsten 2005).

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76 Interview with a Swazi delegate to the WTO.
77 Response from an Africa Union Official.
Again, given the broad responsibility of the WTO we must look at power relationships beyond maintaining and consolidating the distribution of power particularly given the importance of other trade related issues. For example Lee and Hudson (2004) talk of the importance of cultural and economic rather than just political relationships in giving a holistic account of relations that occur in an environment. Noland (1999: 79) supports a “multilateral strategy to accommodate the environmental and social issues encroaching in the trade debate” to help alter WTO rules to allow certain trade restrictions “as part of these new institutional enforcement mechanisms.” As such we need a broader definition of power that captures all these intended and unintended outcomes. It is in this light that I adopt Hay’s definition of power that it is “about context-shaping, about the capacity of actors to redefine the parameters of what is socially, politically and economically possible for others” (2002:185) (see chapter 1).

Thus as we seek to understand power relationships in the WTO we must examine the WTO as a multilateral trade liberalisation structure in which diplomats and negotiators interact and try to influence outcomes in a constraining environment. At the same times they also try to redefine the WTO in an attempt to meet the interests of 156 members. As a result the WTO has experienced some outcomes ranging from attempts to consolidate and maintain the relative distribution of power to attempts to increase the influence of developing countries in the decision-making process, with outcomes depended on the strategic selection by the actors concerned. As such multilateral trade liberalisation can be seen as a product of human interaction, “the product of subjects making history, but not in circumstances of their choosing” (Hay and Marsh 2000). It is through this structuring of trade liberalisation that we can understand the capacity of the WTO to deliver different outcomes for different agents/actors.
To this end the SRA elaborated in chapter 1 allows us a dynamic understanding of the relationship between the WTO context on one hand and the Mauritian actors and coalitions on the other. The approach is ideal at a time when scholars like Draper and Qobo (2007) argue that African countries are “largely takers rather than shapers” of international economic institutions. The approach also allows some degree of emphasis on institutional innovation, dynamism and transformation plus the need for change over a considerable period of time, thus giving an alternative to the new institutionalism emphasis on “creational bias and institutional inertia” (Hay and Wincott 1998). Because access to strategic resources and knowledge of the WTO environment is unevenly distributed, it affects the ability of actors such as Mauritian diplomats to transform the WTO institutional context in which they find themselves. But this does not entail WTO marginalisation because actors are strategically seeking to realise contingent and outcomes in a context which favours certain strategies than others and must rely on their perception of the WTO context. Under such circumstances Mauritian diplomats and negotiators appropriate a WTO institutional context which favours certain strategies and they do this by strategies they formulate or intuitively adopt.

Moreover the strategies are selected on the basis of an always “partial knowledge” of the institutional context (WTO context) within which the actors find themselves and the anticipated behaviour of others. This leads to partial transformation of the WTO institutional environment as well as strategic learning on the part of Mauritian diplomats and negotiators involved. Thus the Mauritian negotiators as a result of their strategic action have an effect on the WTO institutional context as well as strategic learning on part of the negotiators, as I will argue later in the thesis. However, because Mauritian negotiators and diplomats are never fully aware of the conditions of strategic action, not fully equipped to realise their preferred strategies, and also face opposition from other actors pursuing other strategies or tactics, failure is always a present possibility. But such failure should not be misconstrued to be
marginalisation as such failure is not only associated with Mauritian diplomats and negotiators but is an ever-present possibility for all actors as they deliberate and negotiate in the WTO. I will try and apply this line of thinking when I examine Mauritius’ activities in strengthening the WTO through coalition activities in the next chapter.

Moreover the perception by Mauritian diplomats and negotiators about what is feasible, legitimate and possible and desirable are, in a way, shaped by the WTO environment in which they find themselves together with existing ideas and policy paradigms. Yet new institutionalism does not give much attention to the role of ideas in shaping institutional trajectories. Rather an attempt by institutionalism to rediscover ideas is a reaction to the limitations of the “new institutionalism” which has been an “ad hoc attempt to account for theoretical problems” in both historical and rational institutionalism (Blyth 1997). I will come back to this point on ideas in chapter 7 when I discuss the ideational engagement of Mauritius with WTO ideas. Critical in this section is that the SRA helps in the identification of the role of Mauritian diplomats and negotiators in the WTO political outcomes, greater understanding that Mauritius negotiators and WTO are mutually constitutive and a better articulation of how the mutual constitution happens and how it generates institutional change if any.

More so by using the SRA I am trying to move away from the view that the WTO institution determines the outcomes, for example determining the marginalisation of Mauritius. This allows me a deeper understanding of the relationship between the institutions on one hand and the individuals and groups who comprise them on the other. At the core of the analysis is the argument that diplomats and negotiators are responsible for the functioning of the coalitions and the WTO (as I shall show below). A view acknowledged by Wolfe (2006: 2) that the WTO is a place to talk and the talking is done by “representatives of Members, both
diplomats based in Geneva and officials from capital, including ministers.” Overlooking the importance of these actors and focusing on states and coalitions as “actors” is missing the point because the WTO and the coalitions together with the state depends on human actors for their existence and survival. In the next section I am going to try and conceptualise coalitions for the purposes of understanding the usage of the term in this study.

5.4 Coalitions as strategic social constructions

The size of the WTO makes it impossible to have a genuinely multilateral agreement in which all 156 members are equal participants. It is also impossible for a single member to impose its will. This inevitably leads to agreements being reached by countries coming together in more or less formal alliances (Grant 2007). Moreover the Uruguay Round marked a shift from North-South opposition to a pragmatic issues-based bargaining approach in the WTO with many coalitions bringing together developed and developing countries (Rolland 2007). A number of developing country coalitions emerged in the WTO, including defence strategy focused and smaller coalitions based on common interests in particular sub-sectors or on similar economic conditions (Ibid.). Because of the growing breadth and complexity of the WTO agenda, coalitions have also diversified over time reflecting the changes in the WTO agenda. This has in a way forced most countries to belong to various coalitions. The mushrooming of coalition activities within the framework of multilateral trade has led Narlikar (2003: 177) to talk of a “spaghetti bowl of coalition activity.” There is no doubt that such developments have been accompanied by a complex network of diplomatic and negotiation activities in these coalitions and between coalitions.

Yet as argued in chapter 1 historical institutionalism overlooks the formation of coalitions and yet coalitions in the WTO continue to survive becoming even stronger (Priuer and Serrano 2006) and are a strategic approach by developing and developed countries to try and influence
negotiations and decisions in the WTO. This in a way makes the WTO a site of strategy, which is selective and open to some strategy than others and where strategies are elaborated. This is because strategies are implemented in a strategic selective terrain which makes some strategies more viable than others (Jessop 2002). Because coalitions have been seen to be assertive and increasingly active (Ostry (2007, Clapp 2007, Sell 2007, Lee 2007 and Taylor 2007) the explanation of the existence of coalition has been to provide collective action logic (Olson 1968 and Prieur and Serrano 2006) – collective action logic which may determine outcomes (Granovetter 1992 and Leftwich 2010). We can also look at them as “sets of governments that defend a common position in a negotiation by explicit coordination” (Odell 2006: 6) or as providing certainty to weak states that is often not available to them through internal balancing (Narlikar 2003). Thus by and large coalitions are seen in the pre-existing literature as collection of interests from a number of countries building a common positions in negotiations. However, examining coalitions as actors poses a problem in that the approach obscures the examination of human activities both in the coalition and the WTO. As a result we end up getting rid of the diplomats and negotiators who intentionally and consciously create these coalitions and ensure their functioning and survival.

As I seek to examine coalitions in the WTO I am persuaded to look at them as strategic social constructions reproduced through orientation and practices of WTO members engaging in social interaction over time. This is because I see them as providing contexts that allow socialisation processes through which “conduct is shaped at any particular moment of time and space” Watson (2005: 27). They are what Wendt (1992b) call “social configurations” or “intersubjective constructions” or what Sum (2000) call “discursive construction of trade” relations between member states representatives in the WTO. This is precisely because it is diplomats and negotiators who consciously decide on forming coalitions as part of their negotiating strategies. As argued by Jessop (2004b: 9) that a shorter term constraint on an
agent can be a conjuncture opportunity over a long time horizon making it possible for actors to pursue different types of alliance strategy and “so modify the selective impact upon themselves and others of social structural constraints and opportunities” (see also Jessop 2007). Because coalitions are strategic in orientation, the WTO has had a number of new coalitions formed, unformed and reformed (Wolfe 2006) – making them loose strategic constructions which at times may not exist beyond their purpose. Moreover developing countries do not constitute a homogenous group and members are free to join whatever coalitions they feel represent their interests. As observed by Geneva based delegates from Botswana and Zambia that coalitions are evolving and can take the form of more co-sponsoring of an issue at a given time and once the issue is dealt with, the coalition ceases to exist (Responses 22/07/2010 and 25/07/2010). This is because actors are knowledgeable and reflective and constantly monitor the consequences of their actions, which allows them to assess the immediate and unfolding impact of their prior strategies in relation to earlier intentions and intended outcomes in view of their strategic assessment of the conduct of other actors. But in most instances coalitions take the form of informal groups such as the Africa Group and the ACP Group whose “structure is determined by the group itself” (Response 22/07/2010). Such coalitions are constraining to members as members cannot have total control of the coalition since the interests of the group are determined discursively in relation to the coalition. Thus coalitions are a product of conscious decisions by negotiators to come together to try and influence negotiations, decisions and outcomes in the WTO.

Narlikar and Tussie (2004) think that the survival of coalitions lies in some of the structural features of the coalitions. Yet we cannot talk of coalitions without diplomats and negotiators – “human activity” (see White 2004). Moreover an examination of coalitions cannot be used as a basis to predict actual behaviour. As a result we need to also examine the behaviour of

78 Responses from Botswana and Zambia delegates to the WTO respectively.
79 Response from a Zambian delegate to the WTO.
diplomats and negotiators in relationship with the coalitions they belong to. This is because human beings and human capacities are core to the function of coalitions (Interview 04/08/2010). A view acknowledged by a WTO official that it is diplomats that sustain coalitions with support from capital and it is very important for diplomats to be active in these coalitions (Interview 13/08/2010). The views are shared by a Tanzanian diplomat that “human agency” plays an important role in the functioning of coalitions (Interview 04/08/2010). Indeed Narlikar (2003) notes coalitions tend to enjoy effectiveness and longevity only under certain conditions. And when faced with different conditions, they produce different levels of effectiveness and result. As such it is important to examine the relationship between negotiators with coalitions because it allows us to explain why and how coalitions adapt to changes or new conditions. Thus as argued by O’Neill et al (2004: 149-75) coalition as “epiphenomenal constructs” can be reduced to individuals and their interactions. This implies that coalition induced social change is a result of changes in individual deliberation and interaction with other actors in relationship with the coalition. This is because social change is a process by which the interaction between structure and agents “creates new possibilities for collective action by changing norms and institutions, as well as the evolution of existing and emergent actors (and their interactions) who are both enabled and constrained in the pursuit of their goals” (O’Neill et al 2004: 149-75).

O’Neill et al further argue that it is possible to see cooperation as a process supportive to the major components of agency that include “reflexivity, transformative capacity, and learning” (2004). Indeed pre-existing literature on coalitions in the WTO (Nalikar 2003, Ostry 2007, Clapp 2007, Sell 2007, Lee 2007, and Taylor 2007) show that coalitions in the WTO have been associated with the provision of political leverage and influence to members; provision

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80 Interview with an UNCTAD Official.
81 Interview with a WTO Secretariat Official.
82 Interview with a Tanzanian delegate to the WTO.
for platforms for the generation and sharing of information; provision of the ability to cut down the complexity of multilateral negotiations, promoting their preferences and learning (see also Narlikar and Tussie 2004 and Bilal and Szepsei 2005). Moreover coalitions help in the pooling of “bargaining resources to allow greater negotiations weight to the weak” (Narlikar 2003: 14). This according to Narlikar enables the weak to say “no” and affect the outcome of international decision-making. Coalitions also provide a strategy of alleviating domestic deficiencies such as in research through allowing the pooling of resources and allow members countries to avail themselves of the research efforts of allies. As a result coalitions can be seen to help in the determination of outcomes in the WTO. This makes them important because coalitions as social formations affect WTO outcomes (Lee and Hudson 2004). We must avoid overlooking the activities of diplomats and negotiators in their relationship with the coalitions. Even more we must not overlook coalition constraints on diplomats and negotiators even though they are created to strengthen the negotiating power of these diplomats and negotiators. In the end we have to examine coalitions as actor selected strategies, which are social constructions intended to help negotiators overcoming negotiating asymmetry and constraints in the WTO. But before I do this I am going to examine the source of the asymmetry and constraints.

5.5 Asymmetry/constraints as an outcome of negotiating incapacity

process in order to structure trade liberalisation outcomes. Bearing this in mind when we say that Mauritius does not have the capacity to negotiate in normal terms we are referring to the diplomats and negotiators who might find it difficult and incapacitated in their effort to negotiate.

Trade may take the form of state relations but either way, they are constituted of individual human beings and not the state itself. If states do not negotiate it can be argued that asymmetry in the WTO is partly a result of diplomats and negotiators lacking negotiating capacity. As such it is not the WTO or states that create the asymmetries in the WTO but human beings. However, the state and the WTO facilitate the development of asymmetry through constraining diplomats and negotiators’ capacities as I shall show below. Such constraints might make it difficult for Mauritian diplomats and negotiators to influence WTO outcomes even under situations where Mauritius has common interests with other negotiators. As observed by Hopmann (1978:141-177), the fact that two or more actors have some common interests does not entail that they are in the same “structural position” to influence the negotiated outcome. It also does not entail that the resultant outcome or agreement will benefit all actors equally. Such unevenness in outcomes may be attributed to structural or relational asymmetries among actors. The ability to influence the behaviour of the other actor according to Hopmann (1978) is an important aspect affecting asymmetric and symmetric of negotiating outcomes. Taking Hopmann’s argument into account it follows that if Mauritian diplomats and negotiators can influence their trading partners especially the developed countries in the WTO then they have the ability to affect asymmetric negotiation outcomes.

83 Alker (1973: 326) comes up with a functional treatment of influence relationship that takes account of contingencies which may alter the nature of functional relationships among actors. Such contingencies may include “power amounts, effects, scopes, extents, strengths, net inducements, net gains and influence costs.” However as observed by Hopmann (1978) negotiations will include manipulative devices through which negotiators attempt to influence one another.
So far this has not been the case partly because as put by Smith 1976 [1759: III.3.39, p.154]) in war and negotiations the laws of justice are very seldom observed with disregard of truth and fair dealing. For instance there has been limited progress in the WTO negotiations “towards addressing the trade priorities of Mauritius and Africa in a way that would enable trade to realise its potential as a key pillar of economic development on the continent” (UNECA 2007). Why is it that Mauritian negotiating positions have not swayed its trading partners especially the EU and the US into a new direction that is favourable to Mauritius besides the empowerment through coalitions? Is it that negotiators from developing countries are not listening as alleged by Oxfam (2005b), Das (2001) and Khor (2003b)? If indeed they are not listening why then do we have examples of successes by developing countries to put issues of great concern to them on the WTO agenda (Bassilekin 2007)?

An attempt to answer the above questions leads us to ask more. Could it be because of the way the issues have been presented by Mauritian negotiators to their trading partners? Could it be because of constraints that are faced by Mauritian negotiators in the WTO that lead them to having a less than proportionate influence on draft modalities? The WTO has given a number of challenges to all countries why has Mauritius not been able to take advantages of these challenges as has been the case with developed countries? What can be done to ensure that Mauritian diplomats and negotiators influence the final agreement? How can participation be turned into influence? Tussie and Lengyel (2001) try to answer some of these questions by providing two solutions. One solution focuses on the improvement of skills and institutional capacities to analyse, take stock and manage the working of existing agreements - a view also acknowledged by Panagariya (2000). The other solution has to do with the reforming of the WTO decision-making system to allow the development of an increased voice by developing countries in the WTO.
I think both solutions are dependent on diplomats and negotiators in terms of their negotiating capacities. This is because it is these diplomats and negotiators that come to an agreement on these issues at the end of the day. As such it is the Mauritian negotiators that need to convince others for the need for a new direction or sway/mobilise others in a direction that favours Mauritius. Yet as argued by Tussie and Lengyel (2001), Hoekman (2002) Panagariya (2000) and CIDSE/CI (2005) many developing countries lack the capacity to analyse and turn the analysis into negotiating positions. A view also supported by the Mauritian delegate to the WTO that the problem he faces is not one of negotiating competence but of immediate analysis that can be translated into negotiating positions in Geneva (Interview 09/08/2010)84. This observation is shared by a Kenyan delegate who noted that asymmetry is a “clear” result of “human and technical capacity problems” with most African country officials coming from Ministries of Foreign Affairs, resulting in lack of capacity to analyse negotiating positions (Interview 12/07/2010).85 Yet knowledge and research can provide weaker countries a platform from which they can raise objections and offer alternative proposals (Narlikar 2001) – moving away from being reactive to being more pro-active in the negotiations (South Centre 2006a, South Centre 2004).

However, African countries lack effective national research networks which hamper their ability to compete in a globalised world (Dell 2011 and Panagaria 2000). For example in Southern Africa out of 14 countries only two (Malawi and South Africa) have functional national research networks vital for the generation, sharing and use of knowledge including indigenous knowledge that is important in a competing world (Dell 2011). Because developing countries have no such expertise in many areas, they are left on the sidelines as delegates are unable to make informed choices. I think this is what Mauritius and Africa lacks. It is in this light that I seek to argue on the importance of Mauritian diplomats and

84 Interview with a Mauritian delegate to the WTO.
85 Interview with a Kenyan delegate to the WTO.
negotiators’ negotiating capacity in determining the outcome of negotiations in favour of Mauritius. I argue that the negotiating incapacies of Mauritian and other African diplomats and negotiators can be attributed to constraints on them by both the state and the WTO contexts. This has led to the development of asymmetries in the WTO giving rise to the creation of coalitions which have helped strengthen Mauritian negotiators in the negotiating process. An argument well presented by an AU official that ‘given their individual limited capacities’ African countries have ‘drawn more strength in acting with likeminded groups which is also the best approach’ because ‘coalitions would serve Africa’s interests best’ (Interview 15/07/2010). Grant (2006) also thinks that the Africa Group’s technical capacity in terms of ability of African Delegates has improved and they are therefore better able to effectively and actively engage in the negotiations. This means that the marginalisation of Mauritius in the WTO is a perception as Mauritius can influence WTO outcomes through coalition and increased negotiating capacities.

5.6 State constraints on negotiating capacities

Whilst I acknowledge the lack of capacity in the form of states being unable to be represented in every negotiating meeting, it is the negotiators’ capacity to grasp and understand the issues under discussion and have meaningful input in the negotiations that can have a positive impact on negotiations. As argued by Jensen (2007) that the costs of negotiations include the presence of negotiators at the table and their ability to understand the impact of alternatives, discussing and formulating domestic priorities. For the South Centre (2004) one of the major capacity constraints faced by developing countries in the WTO negotiations relates to the availability and depth of national human technical resources. The inability to formulate domestic priorities makes it difficult for coalitions to reach negotiating positions. Indeed African Ministers of Finance, Planning and Economic Development note that better outcomes

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86 Interview with an Africa Union delegate to the WTO.
in WTO negotiations require the strengthening of capacities through building the analytical skills and negotiating capacity of African negotiators and policy-makers (UNECA 2004c, UNECA 2009a and South Centre 2004). This entails “competent negotiators” in terms of strengthening human capacities for multilateral negotiations (UNECA 2005). As Tandon (2008b, 2008c) argues in the “hands of clever negotiators” results of negotiations can be changed in favour of developing countries but what is lacking is power over knowledge and knowledge production.

Some of Mauritian negotiators are not trade specialists nor international trade jurors but officials from the Ministries of Foreign Affairs who in most cases find it difficult to make sense of the technical aspects of the issues involved. As pointed by a Mauritian delegate that Mauritian diplomats in the WTO are not ‘trade experts’ (E-mail 03/09/2009). This is a scenario that mirrors the delegations of other African countries as highlighted by a Senegalese diplomat that even though he is an economist by training and has work experience in the Department of Customs he is required to attend all the WTO meetings, coalition meeting, expert group meetings, workshops etc. The official finds it difficult to understand some of the issues under discussion, for instance rules which might require someone with a legal background (Interview 28/07/2010). Mauritius also faces the problem of the ability to retain institutional memory. In the end negotiators end up adopting negotiating positions, approaches and strategies based on personal views and perceptions of what constitutes national interest rather than on informed knowledge of what constitutes the policy package and negotiating briefs (South Centre 2004). A number of African diplomats in Geneva also

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87 According to the South Centre (2004) the inadequacy of human capacities weaken the negotiating capacities of developing countries because of constraining their ability to conduct strategic economic research and analysis for the purposes of defining national objectives for trade negotiations and for developing priorities; conduct specific sector research and analysis to assess the potential impact of negotiating outcomes on the sectors; lack of familiarity with knowledge of negotiating context and cultivate the ability to define negotiating tactics and strategies; and the lack of timely input to negotiations and support to the country’s negotiating team.

88 Communication from a Mauritian Delegate to the WTO.

89 Interview with a Senegalese delegate to the WTO.
highlighted this aspect – diplomats from Lesotho, Zambia, Namibia, Swaziland, Ghana, Senegal, Madagascar, and Tanzania tend to use intuition in making decisions during negotiations especially when response form capital takes long. In some cases the “diplomats are more informed” than capital (Interview 04/08/2010).  

Moreover, Mauritian negotiators lack sufficient information about the negotiating context. Yet negotiators should be able to identify who the key players are, how their counterparts are organised, and what their key interests are and so on because such knowledge is critical in the negotiations (South Centre 2004). But because Mauritian diplomats and negotiators do not have full information about the context in which they act their strategies tend to be constrained by the WTO. As a result they are unable to deal with contingency and uncertainty of the WTO combined with the need to act despite the lack of full and final information and the uncertainty caused by others who think differently (see Finlayson 2007). Moreover, because Mauritian negotiators and diplomats are never fully aware of the conditions of strategic action, not fully equipped to realise their preferred strategies and also face opposition from other actors pursuing other strategies or tactics, the possibility of failure is always present. However, to try and reduce the chances of failure, Mauritian negotiators have constantly gained knowledge of the context through socialisation over the years and have been able to tell the interests of their counterparts as in the case of the New Issues with respect to the EU demands.

Also in an attempt to reduce chances of failure, Mauritius relies on expert work from different sources especially policy communities in and outside Geneva and capitals. For examples as an African country, Mauritius benefits from the African Trade Policy Centre in the UNECA which undertakes activities such as High-level Brainstorming Meetings for African Trade

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90 Interview with a Tanzanian delegate to the WTO.
negotiators to map-up and refine Africa’s negotiating strategy as well as hold a series of expert group meetings providing experts with the opportunity to digest WTO deliberations in terms of African interests (UNEAC 2005). Interviews with an AU official and African Geneva Mission officials from Swaziland, Senegal, Zambia, Kenya, Botswana pointed out the importance of such sources of experts. For instance the African Group was supportive of the December 2008 NAMA modalities draft text partly because of the work by UNECA which took a lot of human resources into account (Interview 12/07/2010).

What emerges from the above discussion is that the state can be said to lack capacity because of the non-existence of the competent human agents or negotiators as determined at the domestic level. The choice of negotiators sent to Geneva is done at the state level and so is the decision to train negotiators. This means that the state constrains the capacity of its negotiators. Realising the need to build human capacity Mauritius has attached great importance in capacity building in trade policy formulation and in trade negotiations with trade analysts participating in local and international training programmes, seminars and workshops (Ancharaz 2006). The University of Mauritius has also developed a Master of Science Degree programme in Applied Economics with specialization in International Trade and Economic Development. Such efforts in capacity building mean that the marginalisation perception can partially be dealt with by minimising or removing state constraints on the capacities of its negotiators.

5.7 WTO uneven terrain constraining negotiating capacities

The situation of incompetent negotiators is worsened by the WTO’s uneven negotiating terrain in which Mauritian negotiators negotiate and interact. The WTO is riddled with

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91 Interview with a Kenyan delegate to the WTO.
92 My experience with the Zimbabwe Geneva Mission was that a registry clerk who did not have knowledge about the WTO was asked to join me in WTO negotiations.
procedural unfairness regarding the openness and transparency of negotiations and the outcome thereof. Outside informal meetings such as green room meetings tend to be strategically selected by the dominant member states because real deals are discussed in these informal settings and get endorsed in the WTO negotiating bodies. The effect of the lack of transparency and “green rooms” negotiations in which only a few chosen countries from the developing countries engage in negotiations is that the voices of many of the developing countries are not heard. Wilkinson (2006) gives an approximation of between 15 and 25 key states in the green room meeting in Hong Kong as the principle decision makers – out of a membership of 154. For Rolland (2007) the “green room” process resembles an informal version of the UN Security Council with quasi “permanent members.” This is because green room decisions have generally been adopted by the full membership with minor amendments with most issues pertaining to developing countries left out or treated as negotiable side-payments.

On the other hand Jawara and Kwa (2003:13) identify the practice of holding unofficial mini-ministerial meetings attended by selected countries to decide on issues before the Ministerial – thus allowing a group of powerful members to act, “in effect, as an executive council.” Such exclusive meetings have become integrated in the negotiating process allowing the bypassing of established mechanisms for decision-making (CIDSE/CI 2005). However, according to Harbinson (2002) developing countries are now attuned to these institutional arrangements with many smaller members objecting to being excluded from meetings of this kind and not informed about what happened. This view is supported by Kaushik (2009) that the WTO Director General now invites co-ordinators of coalitions to participate in the Green Rooms. This is despite such a process lacking scrutiny and putting developing countries in

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93 Stuart Harbinson was the Chairperson of the General Council 2001-2002 – a time when the Doha Round was muted.
94 Mauritius has been involved in the “Green Rooms” and mini-ministerial meetings by virtue of being a co-ordinator of the ACP Group.
a disadvantageous position because of the complexity of the negotiations and the lack of
capacity (Stglitz and Charlton 2004, Wilkinson 2006, CIDSE/CI 2005). In the end most such
meetings have tended to incorporate representatives from various coalitions particularly those
of the co-ordinator – a move aimed at taking greater care to keep all members fully informed
and provided with the opportunity to make an input (Harbinson 2002) – legitimising informal
meetings. This means that developing countries are no longer marginalised in such informal
meetings as they can now influence decisions through their coalition representative.
However, by influencing the decision to have representatives in the informal decision-making
mechanism, coalitions have helped entrench the informal decision-making process which has
not helped much in terms of the deliverance on intended outcomes.

Narlikar and Odell (2003: 3) rightly note that the decision by consensus in the WTO means
that even the smallest members has a “formal authority (if not the informal power) to block
the rest.” However, Rolland (2007: 483-551) argues that the fact that no decision has been put
to the vote since the formation of the WTO suggests that developing countries “have not felt
able to voice their concerns at this stage of the decision-making process.” As such, the power
of equal vote or voice system which potentially can work in favour of developing countries
remains theoretical – overcrowded by upstream political processes. Where decisions are
made by a super majority, that is three fourths of the members because of lack of presence in
Geneva, the participation of developing countries is limited.\textsuperscript{95} Moreover the developing
country coalitions vote can easily be split apart through divide and rule tactics by developed
countries which is in contrast to the EU whose vote according to Rolland is indivisible.
Again the decision-making process in the WTO has become more of a weighted voting where
the largest and most powerful industrialised members of the WTO have a dominant voice and
some of the members (EU) are able to “aggregate their voices into a sum larger than its parts”

\textsuperscript{95} However, it is important to note that there is considerable presence of African representation in Geneva. Out of 42 African Members to the WTO 40 have a presence in Geneva.
(Rolland 2007: 483-551). As such the decision-making system of the WTO becomes “relatively untouchable because it cannot be adjusted without a complete over-haul of the WTO, which is politically unrealistic” (Ibid: 483-551). Moreover developing countries negotiators lack the capacity to negotiate for such an over-haul. In the end developing countries are caught between a practice of consensus that under-serves them and a disaffected majority system that has the potential of making the WTO unmanageable and therefore not a useful alternative (Rolland 2007:483-551).

Given that WTO meetings take place simultaneously, staffing levels are critical to ensure the member participation in all meetings. However, because of the understaffing in most developing country missions WTO meetings put considerable pressure on the limited staff. For instance out of a complementary staff of 7 the Mauritian Mission to the United Nations, Geneva has 2 officials specialising on WTO issues, and Economic and Trade Advise and a Senior Trade Policy Analyst According to Jawara and Kwa (2003) the WTO holds a thousand meetings a year many of them running in parallel. Moreover members of the WTO who are in financial arrears are not allowed to chair WTO bodies (Narlikar 2003, South Centre 2004). The WTO (1994) lists some of the consequences of being in arrears as reflected in Table 2 which shows how different countries are affected by arrears. The affected countries have the capacity of their negotiators affected also. Whilst Mauritius has not been affected by this aspect, a number of African countries are found in this situation. For instance at the time of reaching agreement on Doc PC/7 there were 21 Contracting Parties in Category IV (i.e. Inactive Members), 15 of which were African Members (WTO 1994). By

96 I have experienced the difficulties of trying to attend as many meeting as I could when I was a Zimbabwe WTO-Mission Intern. However the problem of understaffing is not a WTO constraint but a state one depending on the state priorities as decided at the domestic level. For instance during my stay in Geneva, the Zimbabwe Mission had 6 foreign affairs diplomats compared to 1 trade official meaning that political relations were of greater significance than trade relations.
97 See Doc PC/7 or L/7578.
98 The members included Kenya, Mauritania, Central African Republic, Senegal, Sierra Leone, Burundi, Cameroon, Chad, Rwanda, Congo, Gambia, Ghana, Togo, Uganda and Zaire.
the end of September 2004, 16 African countries were designated as “Inactive Members” (South Centre 2004). By 2010 there were 13, eight of which were from the original list (WTO 2010c, 2010d, 2010e) with Mauritania, Sierra Leone and Chad having some of the highest arrears date backing to 1988 (WTO 2010b). This affects the participation of diplomats and negotiators in the WTO in a meaningful way – hence asymmetry.

Table 2: African Members under Administrative Measures Category I through IV: Situations as 30 June 2010.

<table>
<thead>
<tr>
<th>Country(s)</th>
<th>Category</th>
<th>Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uganda</td>
<td>I</td>
<td>No postage of documents to delegations in Geneva. Delegations will not be nominated to preside over WTO bodies.</td>
</tr>
<tr>
<td>Senegal</td>
<td>III</td>
<td>No postage of documents to delegations in Geneva. Delegations will not be nominated to preside over WTO bodies. At the start of each General Council meeting the Chairman of the Committee on Budget, Finance and Administration will submit information regarding to which Members are under Administrative Measures in categories II through IV. The Director General will on a yearly basis directly contact the Minister of the Member responsible for the WTO emphasising the issue of arrears and report on his result to the General Council. No access to WTO Members’ Web site. Recommendations by the Committee on Budget, Finance and Administration to the General Council on financial matters can only be done on Members whose contributions are paid or who have less than two years’ assessment outstanding. Chairman of the General Council will at each General Meeting request Members in category III and IV about information on when the arrears may expect to be paid before the next General Council Meeting. The Chairman will then report on Members’ replies at each subsequent meeting.</td>
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Niger  
Sierra Leone  
Togo

Measures in categories II through IV.

- The Director General will on a yearly basis directly contact the Minister of the Member responsible for the WTO emphasising the issue of arrears and report on his result to the General Council.
- No access to WTO Members’ Web site.
- Recommendations by the Committee on Budget, Finance and Administration to the General Council on financial matters can only be done on Members whose contributions are paid or who have less than two years’ assessment outstanding.
- Chairman of the General Council will at each General Meeting request Members in category III and IV about information on when the arrears may expect to be paid before the next General Council Meeting. The Chairman will then report on Members’ replies at each subsequent meeting.
- Member designated as an Inactive Member.
- The Committee on Budget, Finance and Administration notifies the list of Inactive Members to the General Council at the beginning of each calendar year recommending members to liquidate their arrears.
- Inactive members are denied access to training or technical assistance other than that intended to meet the Member’s Article XIV-2 obligations.
- Inactive Member taking the floor in the General Council will be identified as such.

Source: Compiled from the WTO

*Proposals to suspend the application of Administrative Measures are being presented at the same time to the Committee on Budget, Finance and Administration.

Category I: After one full year’s assessed contributions remain outstanding at the end of the financial year.

Category III: After two but less than three full years’ assessed contributions remain outstanding at the end of the financial year.

Category IV: After three years’ assessed contributions remain outstanding at the end of the financial year.

However, the constraints on Mauritian and other developing countries negotiators have in a way been mitigated by the formation of coalitions as negotiators consciously decide on the formation of coalitions. As observed by Smythe (2007) that there has been an increased capacity of developing country members to use the more informal processes and meeting to
forge stronger coalitions. Indeed Wilkinson (2007: 248-261) holds the view that asymmetry in the DDA triggered the frustration by developing countries leading to a “bout of warfare that saw coalition upon coalition combine and consolidate to produce a deadlock.” Interviews with a number of African delegates to the WTO on the relevance of coalitions show some feeling “empowered” (Botswana)\textsuperscript{99}; some see an “increase bargaining power” making it “easier to be heard” (Zambia)\textsuperscript{100}; some think coalitions make it easier to bridge gaps between developing countries (Ghana)\textsuperscript{101}; some think coalitions “provide a critical mass” (Namibia, Mauritius); some benefit from “expertise and ideas” (Swaziland and Ghana)\textsuperscript{102}; and some think coalitions provide bases for “consensus building” (Ghana, Barbados and Mauritius)\textsuperscript{103}.

The then Ambassador of Bangladesh to the WTO gives a vivid picture to this effect,

> When you go into a bilateral format of the negotiations, you are vulnerable. Why? Because against a major developed country, you simply cannot withstand the level of scrutiny. And you do not have the strength in numbers that you get in the multilateral process. This is exactly what happens bilaterally in the WTO. Within a multilateral context, in the WTO, sometimes developed countries are unable to get their way with us. But when you come to the bilateral mode, we find that where they are unable to persuade us to agree to something multilaterally, they apply pressure bilaterally to get it done” (Ali 2003).

Thus the formation of coalitions and the benefits that accrue to coalition members in terms of altering power relations and increased bargaining power which has led to deadlock in the WTO negotiations help to reinforce my argument that marginalisation in the WTO is difficult

\textsuperscript{99} Response from a Botswana delegate to the WTO.
\textsuperscript{100} Response from a Zambian delegate to the WTO.
\textsuperscript{101} Interview with a Ghanaian delegate to the WTO.
\textsuperscript{102} Interviews with delegate to the WTO from Swaziland and Ghana.
\textsuperscript{103} Interviews with delegates to the WTO from Ghana, Barbados and Mauritius.
to explain and justify. If marginalisation is about the relative or absolute lack of power to influence other actors and defined social entities and be a receiver of the exercise of power by other actors in the entity or a process of exclusion then it is difficult to justify it in the WTO where Mauritian negotiators have had an input in shaping the WTO negotiating context. Such context shaping demonstrates the capacity of Mauritian negotiators to partially contribute to redefining the parameters of the WTO negotiations and decision-making, which has an effect on actions of other actors. For example by contributing to the bringing about of a WTO deadlock through coalitions, Mauritian negotiators and diplomats affected what is socially, politically and economically possible for other actors. I will further develop this argument in the next chapter.

However, despite the work image on the success of coalitions there has been nothing in the negotiations that signal substantive outcome in terms of poverty reduction, promoting development or promoting health and environment (TWN 2005, Rice and Talpur 2006, ICFTU 2006, FTA 2006, South Centre 2006b, Apea 2006). As a result coalition literature tends to focus on the image of progress than on the “reality of enhancing incomes and opportunities in the developing world” (Stiglitz and Charlton 2006: 1). Nevertheless as I noted earlier the reason for lack of much success may be sought from the lack of negotiating capacity in these coalitions to influence negotiations and decisions in favour of developing countries. As argued by Nalikar (2003: 1) that large numbers do not necessarily translate into a proportionate increase in influence. Moreover there is not much convergence among coalition members due to the divergence of interests leading to the relative lack of success of many coalitions.

Narlikar (2004) also blames the problems of participation and influence on the institutional design and the negotiations that underline the WTO. Whilst the argument by Narlikar
exposes a major failure of the coalitions to try and influence the change to the WTO institutional design and decision-making process, we must examine the failure in relationship to the negotiating capacities of the diplomats and the negotiators found in these coalitions. Thus while the coalitions have been created to enhance negotiating capacities, they still lack such capacities in terms of diplomats and negotiators skills and expertise. As a result developing country coalitions have not influenced much the reforming of the WTO decision-making process to allow outcomes that help in the development of these countries. Thus empowerment through coalitions has not been translated into outcomes that bring about real and effective development in developing countries. Instead coalitions have in a way legitimatised the WTO informal decision-making process through influencing the decision to have coalition co-ordinators sit in various informal decision-making processes – thus in a way shaping the WTO negotiating context. Yet they lack the negotiating capacity for deliverance in these informal processes as discussed below.

5.8 Unfavourable negotiating outcomes


104 I give an example of the Hong Kong Ministerial because it was the last meaningful Ministerial negotiation. There has not been much movement at the Ministerial level nor at the Geneva level. Ministerial meetings that preceded Hong Kong did not do much in terms of negotiations – there was a breakdown at the 2008 Ministerial and the 2010 was involved in stock taking. There are now some suggestions that the Doha negotiations are ‘deadlocked’ with no realistic outcome (Bridges 2011).
According to a number of analysts there was nothing in the Hong Kong Declaration signalling a substantive outcome in terms of poverty reduction, promoting development or health and environment (TWN 2005, Rice and Talpur 2006, ICFTU 2006, FTA 2006, South Centre 2006b, Apea 2006). This, according to Stiglitz and Charlton (2006), Rice and Talpur (2006), ICFTU (2006) and Oxfam (2005c) was a missed opportunity to make progress on broader issues which will deliver benefits to developing countries. For Stiglitz and Charlton much focus has been on the image of progress than on the “reality of enhancing incomes and opportunities in the developing world” (Ibid: 1).

The Hong Kong decision to phase out export subsidies by 2015 has been viewed by a number of scholars (Stiglitz and Charlton 2006, Ostry 2007, Grant 2007, Wilkinson 2006, FTA 2006, South Centre 2006b and TWN 2005) as long overdue and came as a symbolic commitment largely because export subsidies are a minor component of agricultural protection. For instance, export subsidies comprise roughly 4 percent of overall agriculture support given in OECD countries (Stiglitz and Charlton 2006: 2). This means that about 96 percent of trade distorting measures will still be in place and still affecting exports from developing countries. For Rice and Talpur (2006) and FTA (2006) EU export subsidies would have gone anyway by 2013 as already planned. Moreover disciplines are yet to be developed on parallel export support schemes such as export credits, food aid, and state trading enterprises (Apea 2006). At the same time the elimination of export subsidies depends on the completion of the modalities as in paragraph 6 of the Hong Kong Ministerial Declaration that the date for the elimination of all forms of export subsidies ‘will be confirmed only upon the completion of modalities’ (WTO 2005h) – thus making the elimination conditional to a complex process (Dubey 2006).
However, Bhagwati (2005) argues that the removal of export subsidies will harm 45 LDCs out of 49 who are net food importers as prices rise. With such mixed views there is need to strike a balance between developing countries that export food and LDCs which are NFI which is not an easy thing to do. Bhagwati (2005) argues that the lowering of export subsidies is likely to benefit the Cairns group of middle-income countries and not poor African countries. Indeed Bridges (2009a) reports that the food import bill of LDCs rose from US$ 6.9 billion in 2000 to US$23 billion in 2008. It also notes the import-dependent countries have the highest rate of undernourishment. This is because of the lack of agreement on the thresholds and size of cuts for the four bands of tariff cuts in agriculture and the establishment of a mechanism under which developing countries can avail themselves of a special safeguard mechanism. Instead developing countries find themselves under pressure to lower their industrial tariffs. Lowering of non-agricultural tariffs is of enormous benefit to OECD countries most of whom used extensive tariffs in their early stages of development. For Stiglitz and Charlton (2006) the outcome of the Hong Kong decision does not address the main problem of the structure of the tariffs designed to inhibit the movement of developing countries into higher value added production like food processing through escalating tariffs.

The commitment to eliminate cotton export subsidies was also symbolic but not substantive in that the US which is the only developed country using such subsidies would have to eliminate such subsidies in view of its WTO case with Brazil. Moreover the US domestic support making 80-90 percent of total US support for cotton remains intact (Stiglitz and Charlton 2006). Even though the agreement to offer duty free and quota free access for LDCs was welcome at Hong Kong, the reality is that LDCs have to face the hurdles of complex rules of origin and their problems of limited supply. According to Stiglitz and Charlton (2006: 3) the standard rules of origin clauses which restrict the utilization of preferences have been in place and unchanged for more than 3 decades despite the increasing fragmentation of production and falling FMN tariff rates. The Doha round has made little progress in changes to rules of
origin. Moreover the developed countries have agreed to give LDCs 97 percent of 10,000 tariff lines duty free. This allows the exclusion of about 300 products which are “enough to significantly” diminish the value of the deal to LDCs (Ibid: 4).

This Hong Kong example of unfavourable negotiations helps expose the ineffectiveness of coalitions in realizing concrete outcomes in favour of Mauritius and other African countries. This is besides coalitions contributing to changing WTO power dynamics and increasing the bargaining power and engagement of Mauritius and other African countries in the Doha Round. Indeed Narlikar (2001) and Lee (2007) argue that besides the achievement of coalitions and their coordinated support to negotiators there is still need to translate the ‘increased participation into effective participation’ – producing tangible results (UNECA 2009b, 2009c, 2009d). As put across by a Kenyan diplomat that “there is no evidence that coalitions are effective” and those who say so is “because they want to keep their jobs and that S&D is a right for the Africa Group and should not be confused with evidence” (Interview 12/07/2010).105 It is the view in this thesis that effective participation partly lies in the ability of individual members enhancing their negotiating capacities in the coalitions as I shall try and argue in the next chapter.

5.9 Conclusions

In this chapter I have attempted to identify Mauritian diplomats and negotiators as actors in the WTO, conceptualising the WTO in the SRA, and arguing that coalitions are strategic social constructions which Mauritian diplomats and negotiators use in their deliberation and negotiations in the WTO. The Chapter tries to give a background on the uneven terrain in which Mauritian diplomats and negotiators try to influence negotiations and decisions in their favour even though they are constrained both by the state and the WTO and have an imperfect

105 Interview with a Kenyan delegate to the WTO.
knowledge about the various contingencies in which negotiations will take place. My attempt was to argue on the need to recognise the importance of Mauritian diplomats and negotiators as actors that are constrained by the process of deliberation and interaction within and with the state, coalitions and the WTO. This was intended to lay down the background to enable me to capture the activities of Mauritian diplomats and negotiators in relation to the coalitions and the WTO, thus giving me the ability to factor in human intuition and real judgment through which human actors make decisions. Unlike the engagement approach I have tried to show that engagement in the international political economy as exemplified by Mauritius in the WTO is not a prerogative of politicians alone but a number of actors due to business-government partnerships in commercial diplomacy and that there is a relationship between the Mauritian diplomats and negotiators with coalitions and the WTO institutional structure.

I have tried to argue that coalitions are of human creation aimed at among other things providing the necessary support and forum for diplomats and negotiators to exchange views and ideas, share information, generate technical analysis and policy input that has the potential to contribute to outcomes that are favourable to the weaker powers. Thus coalitions are an output of conscious decisions by diplomats and negotiators given the constraints in the context they find themselves to try and enhance their political strength in an effort to influence negotiation outcomes. I have also tried to show that the mushrooming of coalitions can be examined in relationship to member states selecting such a strategy. This has allowed me to explain the changing power relations resulting from coalition formation and strengthening which is not properly accounted for by historical institutionalism. Such shifts in power relations and bargaining power make the marginalisation of Mauritius difficult to explain and justify. This is because if marginalisation is defined as the relative or absolute lack of power to influence others in a defined social entity while at the same time being excluded by the exercise of power of these others it is difficult to justify given that Mauritian
and other African negotiators (through coalitions) are able to redefine the WTO negotiating parameters and affect what is socially, politically and economically possible for other negotiators. Thus Mauritius diplomats and negotiators are players in their own right with great potential for considerable influence in the WTO particularly through using the coalition strategies as provided in the WTO. This is because coalitions have so far led to power shifts and increased bargaining power that has lead to an impasse in the negations.

As a consequence coalitions seem to have helped in levelling the power relations in the WTO as demonstrated by the WTO negotiating deadlock but this has not brought about meaningful development outcomes for Mauritius. This I have argued is partly because of lack of negotiating capacities and subject expertise in developing country coalitions. I have also tried to argue that for Mauritius to extract maximum benefits from the WTO there should be focus on strengthening Mauritian diplomats and negotiators technically to try and strengthen coalitions negotiating capacities and translate the altered power relations into influencing major decisions in favour of Mauritius. This might entail acting independently when it comes to domestic reforms and trade policy formulation (as argued in chapter 4) and building strengths and capacities in negotiations. This will in turn strengthen the negotiating capacities in coalitions. However, this cannot be realised without more active participation by coalition members aimed at strengthening the coalitions negotiating capacities without which coalitions will remain perceptions of a power increase. An example of such active participation can be drawn from Mauritian activities in the Africa Group and the ACP group which is the subject of the next chapter.
CHAPTER 6

MAURITIAN ACTIVISM AND CO-OPERATION IN THE WTO

6.1 Introduction

In my previous chapter I argued that coalitions are a WTO member selected strategy which Mauritius diplomats and negotiators opt for as they deliberate and interact in the WTO. Indeed coalitions have been heralded as having changed the dynamics of multilateral trade negotiations beginning at the Cancun Ministerial (Primack and Bilal 2003, Sell 2004, Kaushik 2009). According to Harbinson (2002: 3) “developing-country coalitions do not hesitate to complain to the Chairman of the General Council and the Director-General if they feel their interests are not being given sufficient attention”. The Chairman and the Director-General would “ignore such complaints at their peril.” Yet negotiation outcomes continue to be in favour of developed countries as shown by the outcome of the Hong Kong Ministerial in 2005106 (see chapter 5). This shows that developing countries still experience difficulties in using coalitions to link their development agenda to multilateral trade negotiations and bring about favourable outcomes. This failure to convince the other parties by developing country coalitions means a lot in terms of their human capacities to deliver on the intended outcome. As a result there is the need to strengthen these coalitions as strategic alliances if developing countries are to benefit from the WTO. What then is Mauritius doing in strengthening the coalitions it belongs to?

In this chapter I seek to examine activities by Mauritian diplomats and negotiators in the Africa Group and the ACP Group to demonstrate how these activities have been critical in the strengthening of these coalitions. This helps explain how Mauritius shapes the WTO

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106 There has been no other proper negotiating Ministerial after Hong Kong, the 2008 Ministerial broke down and in 2010 it was a stock taking exercise.
negotiating process and thus influence what is socially, politically and economically possible for other actors and at the same time attempt to realise Mauritian interests in the WTO. It also helps in showing the ability of Mauritius to adopt strategies that enable it to redefine the WTO institutional context and affect what is socially, politically and economically possible for other actors thus impacting global governance even under conditions which are not of its choosing. My analysis is based on the assumption that Mauritius holds certain interests in these coalitions (particularly the Africa group and the ACP Group) leading to Mauritius using coalitions as one of its strategies in its “all-inclusive approach” in the elaboration of its negotiating positions in different trade negotiating bodies. The main argument in this chapter is that through coalitions Mauritius diplomats and negotiators can have an impact on the WTO negotiating process and global trade governance even under conditions which are not of their choosing. This is because of their ability to shape the WTO negotiating context through these coalitions and influence what is socially, economically and politically possible for other actors. As I will show later in the chapter, the engagement of Mauritius negotiators and diplomats helped stall the WTO negotiations, in a way making the WTO less effective. This raises important questions about the engagement approach to its study of African countries in the international political economy and global economic governance (see chapter 2).

I will develop my argument on two interests, Special and Differential Treatment (S&D) in agriculture in the Africa Group and market access and preferences in the ACP Group. I will conclude that, because coalitions are seen to empower diplomats and negotiators, Mauritius puts considerable effort in strengthening the Africa Group and the ACP Group negotiating capacities. However, these coalitions, besides seemingly empowering Mauritian diplomats and negotiators have not been able to deliver favourable outcomes that effectively meet Mauritian developmental concerns. This has been partially a result of the failure to translate gained political power into positive development outcomes. As a result Mauritius faces the
dilemma of choosing between individually accepting and engaging in the WTO negotiations and the risk of marginalisation, and on the other hand making compromises in the WTO through coalitions (which are strategically acceptable for Mauritius in engaging in and with the WTO) with a related danger of being co-opted without tangible development outcomes.

6.2 Mauritius ‘Balancing Act’ and intermediate role

According to Hay (2002: 132) to act strategically is to “orient potential courses of action to perceptions of the relevant strategic context and to use such an exercise as a means to select the particular course of action to be pursued” (see also Hay 1995). This makes the ability to formulate a strategy a condition of action, meaning that actions contain to some extent a residual strategic element though this need not be rendered conscious. For instance when Mauritian negotiators use intuition to make decisions in the WTO, the decisions are based on their perceptions of the WTO strategic context and the likely consequences of their action. On the other hand if Mauritian negotiators decide on coalition strategic action they still rely on perceptions of the WTO strategic context and the inherent constraints and opportunities the WTO provides. However, this is different from intuition because calculations are subject to interrogation and contestation in an effort to identify options most likely to bring about intended outcomes. For instance Mauritian negotiators cannot individually decide to join a coalition as a strategic option. Instead the decision is done in a contested way at the capital. But in reality negotiators combine both intuitive and explicit strategic aspects with both strategies resulting in both intended and unintended outcomes.

Because diplomacy is becoming more or less like a networking mode of activity “less hierarchical in both its structures and processes” and because its demand favours the formation of coalitions of diverse actors to manage the complex policy agenda (Hocking 2004), Mauritius has adopted the coalition strategy in an effort to try and increase its chances
of realising its interests in a constraining environment. This is in view of the realisation that
the number of areas in which Mauritius needs to be engaged in increases as the scope of the
WTO expands into more areas of rule and economic activity. This also means an increased
number of areas in which a country needs to choose between breadth of coverage and depth
(Page 2002:1). However, Mauritian negotiators are likely to be less flexible on certain issues
and are likely to participate more in some coalitions than others as decided at the domestic
level. Moreover they are also constrained by these coalitions because they have to agree as a
group on common interests. This entails a balancing act between coalitions and negotiating as
an individual. But because of being small, weak and vulnerable, Mauritian diplomats and
negotiators tend to negotiate more through coalitions than as individuals. Dulloo (2007c: 5)
gives us an insight on Mauritian strategy in the WTO when he noted Mauritius “has always
maintained a high profile on the International Trade front through its participation and
coalition with key alliance groups.”

Like many developing countries, Mauritius faces the problem of capacity to significantly
influence the decisions in the WTO. The Ministry of Foreign Affairs, Regional Integration
and International Trade faces an “acute shortage of personnel, staff and resources” (Dulloo,
2007a: 1)\textsuperscript{107}. Neither does Mauritius have the capacity to implement the commitments agreed
in the WTO. The sugar producers finance their own permanent representative in Brussels
who also deals with WTO issues (Page 2002). Mauritius also faces the challenge of
determining and defending its positions in WTO technical negotiations even on issues of
strategic interest to the country. Moreover the never ending expansion in terms of breath and
depth of WTO issues especially as being discussed in the Doha Development Agenda (DDA)
have stretched the capacity of Mauritius both at home and in Geneva exerting extraordinary
pressure in trying to effectively manage the process of Mauritius’s participation in WTO

\textsuperscript{107} Dulloo is a former Mauritian Minister for the Ministry of Foreign Affairs, Regional Integration and
International Trade.
negotiations. This, together with Mauritius’ diverse interests and goals, has led Mauritius to join a number of coalitions to try and effectively manage the process of its participation in WTO negotiations. This view is echoed by Ancharaz (Response 16/08/2010) that Mauritius played a very important role in coalition-building driven by the “appreciation that Mauritius is too small to be heard if acting individually.” Indeed Servansingh (2003c) observes in the Chambers News on the need for Mauritius and continental African countries to setting up ‘strategic alliances’ which allows the formulation of an alliance on certain number of issues so as to strengthen the coalition from the problem of divergent interests which is exploited by developed countries in weakening developing country coalitions.

The strategies adopted by developing countries in the negotiating process matter as are the material and human resources of each participant (Odell 2000, Davis 2006 and Bilal and Szepesi 2005). Even so, the decisions by developing countries about how to negotiate make a “material difference to the results, for them and for the world” (Odell 2006) (see also Nalikar and Odell 2003). What then is Mauritius’ strategy in relation to coalitions? An insight is given by the Head of the Mauritian Geneva Mission that Mauritius often has to do some “balancing act” between the positions Mauritius takes in different coalitions (E-mail 03/09/2009). Indeed Cheeroo (2001) observes that since joining the WTO Mauritius has been on a “steep learning curve” that has enabled the country to be able to identify its “critical interests” in the WTO negotiations and to concentrate efforts on “the promotion of these interests” in ensuring that they “are taken on board in the positions adopted in various fora.”

Figure 14 shows an example of the complexity of Mauritius’s involvement in coalition networks in agriculture. The diagram shows the many different groups that have been established to coordinate positions, submit proposals etc. in the negotiations on Agriculture. These are mostly issue-specific and most would dissolve after the conclusion of the DDA.

108 Communication from a Mauritian delegate.
As shown in figure 14 Mauritius’ strategy of working in coalitions has involved both developed and developing countries – cross-over coalitions. For instance Mauritius is a member of the G10 which primarily comprise of OECD countries because Mauritius supports efforts to set up a “multifunctionality” club in negotiations in agriculture (Grant 2007:169-185). This is because sugar plays a crucial multifunctional role in respect of rural development, energy provision and environmental protection (WTO 2001b). Mauritius has also been working in the G-10 with the view to “establish a fair, equitable and balanced trade regime” as an outcome of the Doha Round (Dulloo 2006c: 1). Mauritius is also a Member of
the G11 that includes Australia, Argentina, Brazil, Canada, China, the EU, India, Japan, South Africa and the US. How then does Mauritius maintain a balance between negotiating on various coalitions and individual participation? The Mauritian approach is to try and play an intermediate role intended to try and balance Mauritius activities to achieving desired outcomes.

Indeed Narlikar (2004: 133-145) argues developing countries adopt extreme strategies of either “bandwagoning or balancing” with larger developing countries pursuing “value-claiming strategies” rather than “value-creating” ones. Rolland (2007) talks of the development of quasi proxy mechanisms whereby individual countries participate as part of a group in addition to their own participation. Because of the intricacies of the coalitions it is important for individual members to search for “best fits of their common positions” which is a negotiating process in its own (Kaushik 2009). This is contrary to Tussie and Lengyel (2001) who talk of grand coalition bargaining – which according to Hoekman (2002) results in agreements without ownership. Moreover evidence suggests that coalitions are not about grand bargaining alone but ownership of the resulting product arising from intense negotiations within the coalition itself. For instance according to a Mauritian delegate in Geneva and officials from the AU Permanent Delegate in Geneva, UNCTAD, COMESA, the Africa Group and the ACP group have some of the most intense internal negotiations – much more intense than in the WTO bodies (Interviews 09/08/2010, 15/07/2010, 04/08/2010. It is against these observations that I think Mauritius employs a “balancing act” and an intermediate role strategy. This is in spite of the difficulties of formalising the strategy simply because it is a strategy which is subject to change given changing circumstances in the structure or at the agency level. This is because Mauritian diplomats and negotiators

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109 Interviews with delegates to the WTO from Mauritius, AU, an UNCTAD Official and a COMESA Official.
continuously assess the immediate and unfolding impact of their prior strategies in relation to their expected outcomes and in view of their strategic assessment of the other actors.

Due to the balancing act and its intermediate role Mauritius has used coalitions to try and connect Mauritian WTO positions to coalition strategies and cause positive spill over between the coalition and Mauritius. As observed by an official of the Mauritian Chamber of Commerce and Industry that the positions adopted by “various blocs of which Mauritius is a Member, did have an influence on the outcome of the Doha meeting” (Cheeroo 2001). Coalitions also entail a reduction of the resources required by Mauritius in the day to day activities of the WTO. Co-operation and co-ordination together with the pooling of resources with countries with similar interests is of great importance for the effective participation of Mauritius in the WTO. But does it help Mauritius to be a member of a number of coalitions in the same negotiations? Narlikar (2003) finds empirical evidence that issue-based bargaining is best for small and very specialised economies. Narlikar’s observation can help to explain why Mauritius belongs to different coalitions with various coalition issues on their agendas. Nevertheless the approach has a weakness in that the larger the issue and more diverse the membership the harder it will be to maintain a coherent, united stance (Rolland 2007). This probably explains why Mauritius is very active in the Africa Group and the ACP Group.

6.3 The need to further strengthen coalitions

Before I examine Mauritius activities in the Africa Group and the ACP group, it is important that I highlight the need for further strengthening these coalitions. The history of African engagement in the WTO shows a trend from the initial position of being at the periphery during the Uruguay Round evolving into increased participation as diplomats and negotiators socialised and became knowledgeable of the negotiating process. Indeed UNECA (2009d)
talks of the significance in evolution of African countries’ participation in the actual negotiations – actively engaging in defining the mandate for negotiators and also active at every stage as the negotiations progressed. However, the expansion of the WTO policy space came with a price (Stiglitz and Charlton 2004). Firstly, that it impacts on the limited capacity of a developing country which cannot negotiate over a larger range of issues. Secondly, the larger agenda burdens the negotiations. Thirdly, an extended policy space creates room for developed countries to exploit developing countries on a wider range of issues. Moreover the strong legal provisions of the WTO add additional burdens on those negotiating on new rules as well as reduction schedules for agriculture (Josling 2005). Because of the growing breadth and complexity of the WTO agenda, the Africa group and the ACP Group have also diversified over time reflecting the changes in the WTO agenda. This has in a way meant the need for contribution by every member to the strengthening of coalition capacities. As observed by Mashayekhi et al (2007) the strengthening of coalitions helped developing countries to have negotiations focussed on the developmental aspect of the Doha Work Programme (DWP) during the negotiations for the July 2004 Package.

However, Grant (2006) is of the opinion that the new level of co-ordination and participation by developing countries does not mean they speak with one voice especially given the different interests in the groups. Moreover there is no guarantee that the developing countries will get what they were promised (Oxfam 2004) as demonstrated by the dragging in the negotiation through the July 2004 and 2008 July packages to 2011 without a break through. For example Oxfam (2004) notes that the July 2004 package offered some small wins for developing countries but overall remained as “a minimal agreement that keeps talks and the WTO afloat, but fails to bridge continuing stark disagreements between developing and developed countries, let alone guarantee a pro-development outcome.” This might not be surprising in the case of the Africa Group and the ACP group given the lack of capacity at the
Geneva and capital levels. Indeed Servansing (Interview 09/08/2010) highlighted the lack of “technical backup and skills” with experts undertrained leading to reliance on policy institutions which “is not enough.” Moreover in some instances countries have actively engaged in these coalitions to “consolidate their views/positions and further advance these positions under the strengths and resilience” of some coalitions (Response 29/07/2010). This means that for us to understand the effectiveness of coalitions we must examine the contributions by diplomats, negotiators and analysts from Member countries in strengthening the coalitions. What then are Mauritius diplomats and negotiators doing in the Africa Group and the ACP group? What are their identifiable activities critical in the strengthening of these coalitions leading to altering of the WTO negotiating context?

6.4 Mauritius shaping and strengthening coalitions

Mauritian activities range from chairing coalition meetings thus giving direction and leadership, co-ordination of coalition activities, co-sponsoring papers on negotiating positions and other interests, spokesperson for coalitions and writing position papers on behalf of coalitions. These activities are in most instances related and in some circumstances difficult to separate. For instance the chairperson of the Africa Group becomes the leader, co-coordinator, spokesperson and the author of the paper to be presented in the WTO negotiating bodies. According to Ndirangu (Interview 02/08/2010) Mauritius as a coordinator carries the interests of the group which are not any different from those of Mauritius. For example at Cancun, Mauritius made four communications on behalf of the African Union, ACP and the LDC. The first regarding the countries’ concern over the lack of progress on special and differential treatment (S&D) and work under the DDA, document

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110 Interview with a Mauritian delegate to the WTO.
111 Response from an AU Official.
112 This knowledge is a result of the author’s own experience working with the WTO in 2001 and 2002 making representation in the Africa Group. The knowledge is also supported by interviews with officials from the Economic Commission for Africa, AU, OMU/ACP and a Mauritian delegate to the WTO.
113 Interview with an Official from OMU/ACP.
WT/MIN(03)/W/20. The second one looked for an “explicit consensus” on Singapore issues before starting modalities on negotiations on the issues, document WT/MIN(03)/W/19. The third communication gave common negotiating objectives and negotiating positions on NAMA issues, document WT/MIN(03)/W/18. The fourth was on common negotiating positions on agriculture, document WT/MIN(03)/W/17.

Such activities help us explain the contribution by Mauritius in shaping the WTO negotiating context and influence what is socially, economically and politically possible for other actors. The activities also help us to explain the link between Mauritian interests as elaborated through coalitions in the multilateral negotiations. It is partly due to such activities that Mauritius was satisfied with the final outcome of the Doha Ministerial particularly in Agriculture, NAMA, Services and Rule (including fisheries subsidies) (WTO 2008a: 7). The outcome satisfactorily addressed both Mauritius’ “defensive interests and offensive ones including the maintenance and expansion of Mauritius current market access opportunities” (Ibid.). It is also partly due to such Mauritian activities that we can account for Mauritius’ contribution to stalling the negotiations and making an impact on global trade governance even under conditions not of its making. However, as argued by Ancharaz (2006) there is a general feeling that Mauritian trade diplomacy has not significantly benefited the country – instead Mauritius must continue her presence through participating in negotiations to ensure Mauritian policy space because the cost of not doing so is great. What then is Mauritius doing in the Africa Group and the ACP Group in terms of strengthening the capacities of these coalitions so that Mauritius trade diplomacy significantly benefits Mauritius? I begin by examining Mauritian activities in the Africa Group with respect to S&D.
6.4.1 Africa Group

Broadly speaking the Africa Group continues to hold key positions and concerns for African countries with respect to the Doha Round negotiations. These include the consideration of agriculture as key to determining the success of the round and that modalities for agriculture negotiations should fully cover the concerns of African countries (Mashayekhi et al. 2007). Indeed UNECA (2009d: 4) notes that S&D is a priority for African countries so that they can be able to “ring-fence domestic policies aimed at broader developmental goals.” It is because of such concerns that the Africa Group has made S&D its priority in the WTO specifically because it gives African countries more policy space and allows preferential trading schemes (Jensen 2007 and UNECA 2009d). Because of this special attention on S&D it is likely that the Doha Round would not be successful without the issues agreed on. As argued by Singh (2003) and Tortora (2003) the deadlock in the S&D negotiations threatens the Doha negotiations as it is pivotal in the success of Doha negotiations and functioning of the multilateral trading system.

Mauritius is interested in the Africa Group because of the Group’s interest in agricultural market access and S&D which are important to Mauritian agriculture particularly sugar. According to UNECA (2009c: 9) African countries are looking for modalities in the WTO that would allow them to embark on “agricultural policies that support development, poverty reduction strategies, food security and rural livelihood concerns.” As a result “the contribution that African countries are willing to make to the Doha Round is conditional on the full and satisfactory operationalisation of S&D for developing countries” Dulloo (2007a:

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114 These positions and concerns are as highlighted in the Addis Ababa Declaration of 20 March 2009 and of 15-16 January 2007; the all Conference on Ministers of Trade 5th Ordinary Session , Egypt 16 April 2009; the Nairobi Ministerial Declaration 12-14 April 2006; the Kigali Consensus 27-28 May 2004, Doc WT/L/572; the Mauritius Ministerial Declaration on the Fifth Ministerial Conference of the WTO 20 June 2003; Arusha Development Benchmarks for the Sixth Ministerial Conference Ext/Exp/WTO/Draft/Dec 2005; Cairo Declaration and Road Map of the Doha Work Programme June 2005; Declaration of the Africa Group on WTO Mini-Ministerial TN/C/11; and Informal African Trade Ministers Communiqué on Consolidating the Development Dimension, Cairo, 28 October 2009;

115 Agriculture is seen by most African countries as key sector for poverty reduction and diversification.
4). Because Mauritius is seeking to transform into an E-Island, S&D should be an integral part of all the elements of negotiations. Thus a satisfactory outcome on S&D will be at the core of its judgment on the results of the Doha negotiations and the usefulness of the WTO as an institution supportive of development. As Dulloo observes, S&D is an “important trade policy instrument aimed at facilitating the integration of weak and less developed economies in the multilateral trading system by granting special advantages and flexibilities” (2006a:2) (see also WTO 2003c, WTO 2003e, WTO 2003f, UNECA 2009d, 2010a).

However, there has not been a movement on S&D since the Doha round and the negotiations have been bogged down as some developed countries are not willing to move on the issue until cross-cutting issues such as eligibility, benchmarking, monitoring and objectives of S&D have been resolved (ICTSD/IISD 2003a, Grant 2006). The EU for instance has called for S&D to be based on objective criteria such as per capita income and level of development – an idea of differentiation “graduation” that is greatly opposed by Cairns Group developing countries and the LMG (ICTSD/IISD 2003a, Singh 2003 and Totora 2003). This has been largely because of the process of self selection to be a developing country (Grant 2006, Heron 2008b). Countries like the United States would like to see middle-income countries such as Brazil, India, China, South Korea and Mexico in the “reciprocity game” and as long as African countries carry these middle-income countries with them in the S&D negotiations there is not going to be any movement (Jensen 2007 and Sell 2004). A view also expressed by Ndirangu (Interview 02/08/10) that developing countries are classified with China, Brazil

116 S&D is negotiated in different negotiating groups and brought into the Committee on Trade and Development (COMTD). In this study I examine it in relation to agriculture but Mauritius puts its case on S&D in different bodies.

117 Heron (2008b) argues the process of self selection has complicated the status of preferential trade agreements under the WTO.

118 Mauritius’ association with these countries particularly India and China is strategically important for Mauritian negotiations in the WTO. As a result Mauritius has in some instances supported and sympathised with Indian proposals particularly on issues where the two share common ideas (WTO 2001a). As such Mauritius is not prepared to antagonise China and India but rather carry the shared interest with these countries in the Africa Group and the ACP Group where Mauritius is very active.
and India and “developed countries are not willing to help.” However, Singh (2003) puts an argument that the insistence on graduate and differentiation by the developed countries is mercantilist aimed at further dividing developing countries and lead to an even greater imbalance between the North and South. For Keck and Low (2004) the issue on graduation has complicated negotiations on S&D and suggest a focus on measures rather than a country status to obviate the impasse. Thus the definition of what is a developing country should not undermine the relevance of the concept of S&D (Tortora 2003). As observed by the Kenyan delegate that S&D is a “right for the Africa Group” (Interviews 12/07/2010).  

Given Mauritian S&D interests in the Africa Group, what has been Mauritius’ contribution to strengthening the group? Mauritius agreed to chair the Group’s proceedings in Geneva in the years 1999-2000 as well as host a number of WTO workshops for the Africa region such as the WTO workshop on Trade and Development: 20-23 August 2007. It has been a spokesperson for the group (WTO 2006a, 2004a, 2003b). In 2003, Mauritius chaired and hosted the First Ordinary Session of the African Union Ministerial Sub-Committee on Trade, Customs and Immigration that considered a number of issues of developmental importance to Africa including the co-ordination of Africa’s position in the Fifth Ministerial Conference of the WTO in Cancun, Mexico. The outcome of the meeting was a Ministerial Declaration that had a major input in the Africa Group position in Cancun that helped stall the negotiations as the Africa Group demanded and reiterated that the DWP becomes a truly “Development Agenda.” The effect of the Group’s position in Cancun was that it played a fundamental part in “shaping the content and direction of the future work under the DDA” (AU 2004). Again Mauritius as the co-ordinator of the Africa Group in 2004 was “instrumental” in the “successful conclusion of the July Package” (Mauritian Ministry of Foreign Affairs, International Trade and Regional Cooperation 2005b: 33). The July 2004 Package provided a

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119 Interview with a Kenyan delegate to the WTO.
framework for establishing modalities for the negotiations related to the Doha Development Round. As Chairman of the AU Conference of Ministers of Trade, Customs and Immigration J.K. Cuttaree, the Mauritian Minister of Foreign Affairs, Regional Integration and International Trade was invited and participated in a number of caucus and mini-ministerial meetings which led to the “dissipation of the impression” that Africa was not willing to move forward the negotiating process (AU 2004).

Mauritius has tried to play a balancing act as well as an intermediate role as shown by Mauritian activities negotiating Annex A to the 2004 July Package which serves as a basis for establishing modalities in agriculture. During the negotiations, Mauritius was actively involved in the various coalitions (G10, G33, Africa Group, G90, and the ACP Group) (see Figure 15) to ensure that Mauritian interests were taken on board. According to Ministry of Foreign Affairs, Regional Integration and International Trade (2005b: 34) Mauritius was able to do some “damage control” and prevented the African Group, the ACP group and the G90 “from taking radical positions especially on domestic support and sensitive products.” Instead Mauritius managed to make the groups focus more on S&D issues of direct interest to these coalitions and Mauritius as well (Ibid). This brought about a number of positive outcomes for Mauritius and the Africa Group. For instance the Annex states that developing countries will be granted longer phase-out periods for all forms of export subsidies and the negotiations must ensure that any new disciplines “make appropriate provision for differential treatment in favour of least developed and net-food importing countries”(WTO 2004c) – Mauritius as a net-food importing country stand to benefit from this provision. Again on

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120 The issues of S&D according to ICTSD/IISD (2003a) are critical to developing countries and include the issues of implementation which are seen as a way of addressing the imbalance in the Uruguay Round Agreement. And yet a great deal of work on these issues remains to be done in the post Doha period especially when it comes to meeting deadlines with some deadlines postponed and others missed outright. Moreover developing countries interpret the Doha language on S&D as a commitment that future S&D provision would be incorporated into all Agreements in an enforceable manner especially AoA – which has not been materialised (ICTSD/IISD (2003b). According to ICDSD/IISD (2003f) most S&D provisions are given in non-mandatory language making them unenforceable under the DSP – an attempt to have them mandatory has not yet yielded the required result.
market access using the single tiered formula approach, developing countries stand to benefit from S&D provisions that allow them to designate “an appropriate number” of special products based on criteria of livelihood security, food security and rural development. Moreover under Annex A, the tariff negotiations will also address the erosion of preferences due to general liberalisation and liberalisation of tropical products “of particular importance to the diversifications of production” (Ibid.). Paragraph 44 of the Annex recognises the importance of “long-standing preferences” and the need to address the issue of preference erosion (WTO 2004c). This gain from The July 2004 package was carried over in the July 2008 package with paragraph 149 of the Draft modalities on Agriculture providing Annex H which is a list of products that have enjoyed long-standing preferences that shall not be subjected to tariff cuts. Among these products is sugar from which Mauritius enjoyed long-term preferences (WTO 2008k, 2008l). This makes the paragraph significant to Mauritius. I will further elaborate on this aspect under the ACP group below.

According to UBUNTU the July 2004 package managed to achieve what could not be reached in Cancun (2005). This success remains intact in the July 2008 package and as the WTO negotiations reached a strategic deadlock as of March 2010 – a stalemate of development versus market access (Khor 2010b). According to Khor (2010a) the stocktaking exercise that took place in March 2010 did not result in a future plan for future meetings for the negotiations. Moreover empirical studies have shown that Africa will be the least beneficial if the Doha Round was to be achieved under the 2008 draft modalities (UNECA 2009c, 2009d). As such there is need to do more if Mauritius is to ensure that the original Mauritian ambitions as elaborated and presented by the Africa Group are to be achieved. This in turn means more work for Mauritius and African negotiators. The success of Mauritian and African engagement can only be measured after the successful conclusion of the DDR – if the DDR manages to meet the developmental aspirations of developing countries. In the
meantime Mauritian diplomats and negotiators continue to engage in the WTO with the view of making the current negotiations focus on development thus making a difference in improving the multilateral trading system Servansing (2005a, 2005b).\textsuperscript{121}

### 6.4.2 African Caribbean and the Pacific (ACP) Group

ACP Group negotiating positions are not different from those of the Africa Group, SVE, and G 90 neither do they contradict them.\textsuperscript{122} If there is a coalition that meets the interests of Mauritius it would be the ACP because it aggregates the interest in the Africa Group and the SVE Group to which Mauritius is a Member. The current erosion of preference has caused severe problems for Mauritius in terms of external receipts, value added and employment creation (Dulloo 2006b: 1) (see chapter 3). In 2001 under the leadership and coordination of Mauritius in Geneva the ACP group together with the EU requested a waiver on the preferences under the Cotonou Agreement. According to Cheeroo (2001) writing in the Chamber News, the decision by the ACP Ministers of Trade in November 2001 to force the issue of a waiver on the Doha Ministerial agenda was “made on proposal from Mauritius” thereby demonstrating Mauritius’ potential to “play a role much bigger than its size and its weight in the global economy and trading system”.\textsuperscript{123} Even though granting of a waiver at Doha might be due to other activities in the negotiating process outside Mauritian influence Mauritius had a critical involvement in initiating the idea.\textsuperscript{124}

\textsuperscript{121} This is noted in Ambassador Servansing’s letters to H.E. Mr Fernando De Mateo Y Venturin Chairman of the Council for Trade in Services and H.E. Ambassador Stefan Johanessen Chairman of the Negotiating Group on Market Access respectively.

\textsuperscript{122} ACP negotiating positions can be found in the ACP Declaration on the fifth WTO Ministerial Conference (WT/MIN (03)/4); the ACP Declaration on the sixth WTO Ministerial Conference (ACP/61/047/05); the G90 common negotiating position in Cancun (WT/MIN/(03)/W/17); Non-Agricultural Market Access (WT/MIN(03)/W/18); on Developmental Issues (WT/MIN(03)/W20); on the Singapore Issues (WT/MIN(03)/W19); ACP Ministerial Communiqué to the Seventh Session of the WTO Ministerial Conference, Resolution of the 87\textsuperscript{th} Session of the ACP Council of Ministers, Addis Ababa, Ethiopia, 8-13 June WT/L/728; ACP Declaration on the Seventh Session of the WTO Ministerial (WT/MIN(09)/70); and Developmental Aspects of Regional Trade Agreements (TN/RL/W/155).

\textsuperscript{123} Knowledge also obtained through my participation in 2001 ACP Group meetings chaired by Mauritius.

\textsuperscript{124} For instance Wilkinson (2006) argues that the waiver was a result of six African Ministers who belong to the ACP Group threatening to block negotiations in Doha unless a waiver was granted.
Mauritius has maintained the issue of the erosion of preferences under negotiation in the WTO even after the granting of the waiver. In a letter to H.E. Ambassador Stefan Johaness Chairman of the Negotiating Group on Market Access, the Mauritian Ambassador, Ambassador Servansing highlighted the centrality to NAMA of the issue of preferences because of the importance of preferences in the development of ACP countries. The letter observed that the ACP “cannot envisage a NAMA package for the Hong Kong Ministerial Meeting without the issue of preference erosion adequately reflected there in” (Servansing 2005b) (see also letter to Ambassador Crawford Fulconer Chairman Committee on Agriculture Special Session – Servansing (2005c), which highlights the importance of adequately resolving the issue of preferences. Indeed Mauritius and the ACP group called on the WTO to give “due consideration to sensitive products like sugar” (WTO 2005a).

On services, Mauritius is of the opinion that market access in services is intrinsically linked to developing countries policy space hence the need for an “adequate regulatory framework” (Dulloo 2006a: 5). On the other hand Aid for Trade is critical to Mauritius for addressing the country’s supply constraints in the event of increased market access. As noted by Dulloo (2006a: 2) that Aid for trade is important for the financing of economic and trade reform in the context of liberalisation and in particular helpful to consolidating Mauritius strategies “with the view to tapping available resources and helping us to integrate in the world economy.”

125 Elliot (2010) argues that preferences can contribute to the reduction of poverty and promotion of prosperity and stability in the world’s poorest countries but preferences exclude commodities which developing countries are competitive such as agriculture and textile. Yet developing countries expect the erosion of preferences in the multilateral negotiations on those products that enjoy such preferences. According to Grynberg and Silva (2005) the erosion of preferences under the WTO entails huge preference losses for dependant countries and Mauritius, Botswana, Fiji, St Lucia and Guyana will suffer the greatest, threatening a disconnection of such countries from the world economy.

126 JOB (05)/301 gives an ACP vulnerability Index designed to identify vulnerable products most of which are in the textile and clothing – products of interest to Mauritius (see WTO 2005).

127 WTO Members chose the request–offer approach as the main method of negotiating new specific commitments with liberalisation assumed through bilateral, plurilateral and multilateral negotiations (ICTSD/IISD (2003c) – an approach that stretches the capacities of African countries. The process also lacks transparency and is riddled with inequalities in bargaining power. I have experienced the inequalities when I initiated the request-offer negotiations with the EU, the US, Japan and Canada.

128 However, Heron (2008b) observes the need to remain cautious about Aid for Trade to small economies given the “ambiguities and uncertainties” surrounding the amount of available resources and the institutional mechanisms that have been put in place to put Aid for Trade into practice.
Because of these interests Mauritian negotiators contributed to have some ACP areas of interest in the NAMA negotiations captured in the July 2004 Package. For instance Mauritian negotiators played a central role in having the NAMA Framework text make reference to the erosion of Preferences (Mauritius offensive interest) and minimizing the negative effects of the erosion on the Mauritian economy as contained in paragraph 16 of the July Package. The paragraph recognises the challenges faced by Members who benefit from non-reciprocal preferences that come with the erosion of such preferences and instructed the NAMA Negotiating Group to take into consideration the “particular needs that may arise for the Members concerned” (WTO 2004c). According to an ECA official Mauritius was able to aggressively push for the issues of preferences and preference erosion in NAMA with considerable success (Response 17/08/2010).\^129 However, according to ICTSD/ IISD (2004) Annex B on NAMA is less precise leaving all of the most difficult issues to further negotiations. Instead it outlines the “initial elements for future work on modalities” (WTO 2004c). Critically though, it reaffirms the main principle under the Doha Declarations to “reduce or as appropriate eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs, and tariff escalation, as well as non-tariffs barriers, in particular on product of export interests to developing countries” (WTO 2001). It is also of significance because of its recognition of the challenges faced by non-reciprocal preference beneficiary Members and Members dependent on tariff revenue which led the Negotiating Group instructed to take into account the needs of affected Members as they arise.

According to Cheeroo (2004b) Mauritius did “remarkably” during negotiations for the 2004 July Package because it managed to keep all its “preferences” on the table. The Annex on Agriculture mentions explicitly “long-standing preferences”; the NAMA text offered “non-reciprocal preferences” with the possible exemption of tariff cuts on industrial product

\^129 Response from an Official from the ECA.
(Paragraph 6 of NAMA text); and the “small-vulnerable economies” option. The end product which is the framework agreement addressed some of the key concerns of Mauritius as recognised by the Mauritian Government (Ministry of Foreign Affairs, Regional Integration and International Trade 2005b). Firstly, the framework gave full recognition of the importance of preferences with Paragraph 16 of the Doha Ministerial to be used as the basis for future work. Indeed such further work is contained in paragraph 28 of the July 2008 draft modalities on non-agriculture market access that proposes a reduction period that will allow affected Members to try and adjust to the erosion of preferences (WTO 2008m). As such both the July Packages acknowledged and reaffirms the importance of preferences and the need to address the erosion of these preferences (Mashayekhi et al 2007 and UNECA 2009d).

Secondly, there was the understanding on the granting of flexibility to both developed and developing countries on their sensitive products with developing countries being allowed the flexibility to “designate an appropriate number of products as special products” (Ministry of Foreign Affairs, Regional Integration and International Trade 2005b: 34). Thirdly, the special safeguard clause which provides additional protection for sensitive products remained under negotiation. Issues of Net Food Importing Countries were also taken on board (Ibid.).

Mashayekhi et al (2007) note that during the July 2004 package, there was a comprehensive approach including giving countries facing preference erosion more time to allow them to cope with adjustments. The position adopted by the ACP Group originated from Mauritius and formed the basis of the deal as in paragraph 45 of the ACP Declaration on the sixth WTO Ministerial Conference that states “products exported from the ACP States that have already been the subject of liberalisation shall not again be open for accelerated tariff cuts in these negotiations” (ACP 2005). Again the Hong Kong Declaration made calls for members to find a solution or make a proposal as quickly as possible to which Mauritius managed to come up with a workable solution (WTO 2005d). Under the leadership of Mauritius and based on a
proposal from Mauritius the ACP Group successfully struck a deal with Latin American
countries, the US and the EU on maintaining about 60-70 percent tariff line on tropical
products which the ACP used to enjoy preferences from further liberalisation (Interviews 09/08/2010, WTO 2008i, Khor 2005, Hanson 2008, TNI 2010). To this end the ACP, EU and Latin American countries agreed on a list of products to benefit from “gentler and slower” cuts under the proposed “preference erosion treatment” as well as a list of “tropical products” to be subjected to faster and deeper liberalisation (TNI 2010). Sugar and beef were also declared as tropical products/sensitive products and subjected to receiving preferential treatment in the US and EU – cuts on such products are to be phased in over a period of ten years. This work by Mauritius is also acknowledge by a Kenyan delegate who alluded to the success by the ACP group to have some key product lines shielded from preference erosion for at least the next ten years (Interview 12/07/2010). However, according to a Mauritian delegate to the WTO, the success of the deal lies in the success of the Doha round negotiations (Interview 09/08/2010). But the Doha Round has been eluded by success since 2001.

As the co-ordinator of the ACP Mauritian negotiators are involved in the informal negotiations and discussions in an ex-officio capacity. As echoed by Patel talking at the WTO Public Forum that Mauritian negotiators were involved in the inner circles deliberations at the Hong Kong Ministerial as representatives of the ACP Group (WTO 2008n). But there is still the issue of the internal dynamics of coalitions which needs elaboration. What happens when countries do not agree on a common position in the coalitions? How do

131 Mauritius is interested in the preservation of preferences on sugar. The disadvantage of the agreement is that it ties identified ACP products such as sugar to preferences only from the US and EU as they are the ones identified as providers of such preferences (TNI 2010).
132 Interview with a Kenyan delegate to the WTO.
133 Interview with a Mauritian delegate to the WTO.
134 Egypt and Zambia were also involved as representatives of the Africa Group and the LDC respectively.
coalitions make sure that the co-ordinator represents the mandate of the group in the informal negotiations and not its own interests? To try and ensure cohesion within the Group through eliminating mistrust, Mauritius invites members of the coalition to accompany the co-ordinator in the green rooms. Moreover besides the ACP Group meeting every Friday it holds about five meetings a week at the ambassadorial and technical levels (Interviews 09/08/2010).\textsuperscript{135} As a coordinator of the ACP Group, Mauritius makes sure it has a backing of eight members of the group in WTO negotiating groups and three in the Green Room (Ibid.).\textsuperscript{136} This has helped Mauritius to build trust and strengthen the group. To date the coalitions has managed to maintain their development issues on the negotiating table. This has not only been possible because of the existence of coalition as strategic social constructions but because of the activities of the negotiators in these coalitions and their interaction with the coalition and the WTO.

The above discussion demonstrates the strategic use of coalitions by Mauritius (despite Mauritius’ week capacity) to try and influence negotiations and decisions in an institutional structure which provides an uneven negotiating terrain. Through the use of coalitions Mauritius has had an input in the WTO negotiations that have helped stall the negotiations, in a way making the WTO less effective or in a situation of crisis. This show the ability of Mauritius to adopt strategies that enable it to redefine the WTO negotiating context and affect what is socially, politically and economically possible for other actors in the negotiating process. As such Mauritius can be seen to impact global trade governance even under conditions which are not of its choosing. This raises a number of questions about the marginalisation and the engagement discourse in terms of their approaches in examining the role of African countries in the international political economy and global economic

\textsuperscript{135} Interview with a Mauritian delegate to the WTO.
\textsuperscript{136} This is important for consensus building – it is critical that Members of the group support their negotiating position as presented by the co-ordinator.
governance. However, the strategy adopted by Mauritius in as much as it has influenced the redefining of WTO negotiating process, has not been very effective in the realisation of WTO decisions that favour the development of the political economy of Mauritius partly because the political power gained through coalitions (Africa group and the ACP group) has not been translated into real gains that meet the development concerns of Mauritius. This is partly due to the continued weakness of the coalition as a strategy, as I will discuss below.

6.5 Weaknesses in the coalition strategy

Because of their loose nature coalitions depend considerably on trust which poses a major weakness. Mauritius according to Page (2002) benefits from continuity with experienced ambassadors. For example an UNCTAD official noted that the current Mauritian Ambassador is “very good, well recognised, received and respected” forming moral grounds for participating in negotiations (Interview 04/08/2010). Mauritius has also been excellent in both the African and ACP Groups (Response 17/08/2010). However, despite Mauritius’ work in the Africa Group and ACP Group, Mauritius has been seen to be attempting to join the league of the emerging economies. Indeed a Senegalese diplomat thinks Mauritius is aligned and gets much influence from the EU (Interview 28/07/2010). A view supported by a Ghanaian delegate that “Mauritius finds it difficult to delink from the big powers” (Interview 26/07/2010). It is difficult to dismiss such suspicions as Mauritius aims to be an international business centre and foreigners are welcome to invest in almost all areas open to Mauritians (WTO 2001g, AfDB 2004 and WTO 2008j). According to the IMF (2008b) Mauritius adopted a Code of Corporate Governance in 2003 based on the OECD principles adapted to Mauritian conditions. Also because of Mauritian interest in environment, rural development, food security and agriculture Mauritius has adopted the concept and approach

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137 Interview with an UNCTAD official.
138 Response from an ECA official
139 Interview with a Senegalese delegate to the WTO.
140 Interview with a Ghanaian delegate to the WTO.
of “multifunctionality” together with Countries such as Switzerland, the EU, Japan and Korea (ICTSD/IISD (2003b). Such activities by Mauritius have in a way helped raise suspicion among members of the Africa Group and the ACP Group.

The success of a coalition in the WTO is also dependent on the co-ordinator’s activities. Yet there have been instances where some group coordinator instead of speaking on behalf of the group in the Green Room decided to present two positions – its position and that of the group. As was the case when Morocco was the co-ordinator of the Africa Group, it stated its position and that of Africa Group separately in the Green Room (Interview 02/08/2010).141 Moreover the coordinator’s role may be weakened because of language problems. For instance the leadership of Gabon in the African Group in 2010 was seen to have weakened the group’s representation in the Green Room where negotiations are in English.142 As a result the Africa group was not adequately represented in the Green Room (Interview 12/07/2010).143 Moreover the grasp of the issues by Gabonese diplomats and negotiators was seen by others members of the Group to be mediocre resulting in delegates “going round and round” in meetings (Responses 17/08/2010).144

Of significance in the weakening of coalitions is the lack of capacity in capitals and consolidations between the capital and their Geneva negotiators. A Mauritian Delegate cited Egypt, Kenya, South Africa, and Mauritius as having the ability to regularly consult the capital expertise on issues under negotiations with most African Group countries being unable to do so (Interview 09/08/2010).145 A view supported by an AU Geneva based official that a few countries including Algeria, Nigeria, South Africa, Egypt and Mauritius are supported by

141 Interview with an ACP Official.
142 Gabonese diplomats and negotiators have problems with the English language.
143 Interview with a Kenyan delegate to the WTO.
144 Response from an ECA Official.
145 Interview with a Mauritian delegate to the WTO.
experts from home (Interview 15/07/2010). According to a Mauritian delegate to the WTO the Africa Group could have been stronger had more countries had experts back home (Interviews 09/08/2010). This means that most African countries rely on the expertise of a few individual within the Group. As such there is a need for each member country to do its own part in following issues, attending meetings, and to have teams in capitals doing extensive background research and providing adequate instructions on all matters. More so there is need for developing countries to search for “self-generated, home grown ways” to build their technical and institutional capacity because it is only those with expertise that “will normally have the knowledge necessary to codify and interpret arcane information” (South Centre 2004) (see Hoekman (2002). Thus if African states cannot develop and improve the negotiating capacities of their negotiators, they constrain their ability of deliverance in the WTO. Consequently coalitions will remain weak in their bargaining and influence (see chapter 5).

Indeed the weakness of coalitions in terms of technical expertise tends to affect every activity in these coalitions. For example some coalition focal points are not experts yet they are given the mandate to lead the group (Interview 26/07/2010). Most focal points are officials from Ministries of Foreign Affairs and have no capacity to negotiate on trade issues. They also lack capacity in terms of understanding the Agreements and their subsequent implementation (Interview 15/07/2010). As a result the co-ordinator tends to be overburdened. As acknowledged by Mayur Patel talking at the 2007 WTO Public Forum that the co-ordinating delegates normally provides the technical expertise and the political authority which members of the coalition depend on (WTO 2008n). This stretches the already limited capacities of the co-ordinator. The situation is worsened because the position of co-ordinator tends to rotate

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146 Interview with an AU delegate to the WTO.
147 Interview with a Mauritian delegate to the WTO.
148 Interview with a Ghanian delegate to the WTO.
149 Interview with an Au delegate to the WTO.
between a few members due to the demanding nature of the responsibility – “not all members are ready to co-ordinate” (Interview 04/08/2010).\footnote{150 Interview with a Tanzanian delegate to the WTO.}

However, Grant (2006) thinks that the Africa Group’s technical capacity in terms of ability of African Delegates has improved and they are better able to effectively and actively engage in the negotiations. Grant (2006) also thinks South Africa, as the largest African country in the Group, should balance its use of human and other resources within the group. Such thinking supports my argument for the need for individual countries make a contribution to strengthening the negotiating capacities in the Africa Group and the ACP group. This works well because it is difficult for any single country to try and dominate the group owing to the fact that members, despite having differences, negotiate among themselves and reconcile their interests. As such there is “little flexibility in the coalition because interests are tied to group dynamics making it difficult to go it alone” (Interview 04/08/2010).\footnote{151 Interview with an UNCTAD official.} All members play a role in coming up with a common interest with each country supporting its position. If there is divergence countries take their interests to another group i.e. balancing (Interview 15/07/2009).\footnote{152 Interview with an AU delegate to the WTO.} Moreover negotiations in the groups are more complicated and intense than in the WTO with each member being “closely scrutinised” (Interview 04/08/10).\footnote{153 Interview with a COMESA Official.} Thus alone, a country “has no influence in the coalition” (Interview 12/07/2010).\footnote{154 Interview with a ECDPM Official.} This presents a situation where there is lack of a clear and ongoing leadership together with the flexibility to look elsewhere for support which tends to weaken the group.

A delegate from Senegal echoed this thinking, noting that at times the Africa Group positions are politically weak having no teeth (Interview 28/07/2010). This might be a result of some
countries not doing enough in the coalition as well as their diverging interests. For instance there is division in the Africa Group with the LDCs accused by some developing countries of “living large” and “do not have to do anything” because of the preferences already enjoyed by LDCs from developed countries (Interviews 16/07/2010).\textsuperscript{155} This resentment between some developing countries and LDCs led to conflict in the Africa Group at the Hong Kong Ministerial (Interview 04/08/2010).\textsuperscript{156} This highlights the weakness of coalitions in terms of divergent interest and thus making them “cooperative mechanisms” that can “split in terms of interests” (Interview 02/08/2010).\textsuperscript{157} Moreover coalitions face the problem of free-rider and the possibility of outside induced split which can lead to a coalition reaping losses (Narlikar 2003; Narlikar and Odell, 2003: 4). Carrots where offered to the Africa Group (TRIPS and public Health) and ACP Group (waiver for Cotonou Preferential Agreement). In return, the Africa Group and the ACP Group dropped their positions on negotiations on industrial tariffs, environment and Singapore issues (Ibid: 19). As a result besides altering the power dynamics and leading to a stalemate in the WTO, the Africa Group and the ACP Group remain, weak, fragile, and loose in utilising their gained power to influence decisions in favour of the developmental concerns of their member countries rendering the strengthening of their negotiating capacities a perception.

\section*{6.6 Conclusion}

In this chapter I have tried to capture the activities of Mauritian diplomats and negotiators in the Africa Group and ACP Group which in turn influence WTO negotiations and outcomes. The analysis has been an attempt to seek a deeper understanding of the relationship between negotiators, coalitions and the WTO. By so doing I have tried to move away from examining the WTO from the historical institutionalism perspective which put emphasis on the influence

\textsuperscript{155} Interview with a Swazi delegate to the WTO.
\textsuperscript{156} Interview with a Tanzanian delegate to the WTO.
\textsuperscript{157} Interview with Bankole of Ibadan University.
of the structure on the agency in determining institutional outcomes. Instead I have tried to show that the relationships between negotiators, coalitions and the WTO are mutually constitutive. To this end I have tried to show that Mauritian diplomats and negotiators strategically use coalitions as part of their “all-inclusive approach” in the elaboration of Mauritian negotiating positions in the WTO. This in a way led to Mauritian diplomats and negotiators putting considerable effort in strengthening coalitions in an attempt to have favourable outcomes that push for the development of the political economy of Mauritius in accordance with the wider Mauritian societal interest. This gives us the reason why Mauritius has been active in pursuing Mauritian interests in the Africa Group and the ACP Group among other coalitions, with the other major reason being to try and manage the negotiating process.

Thus coalitions have in a way provided the strategic social groups in which Mauritian diplomats together with diplomats from other developing countries negotiate their interests and agree on a common position before taking them into the WTO negotiating bodies. This in a way has helped Mauritian negotiators and diplomats to redefine the WTO negotiating context thereby affecting what is possible for other actors. As such, if marginalisation is about the relative or absolute lack of power to influence a defined social entity while being recipient of the exercise of power by other actors in the entity or a process of exclusion then it is difficult to justify the marginalisation of Mauritius. This is because of the ability of Mauritian negotiators and diplomats to redefine WTO negotiating parameters (through coalitions) and affect what is socially, politically and economically possible for other negotiators in the negotiating process. The balancing act and the intermediate role exercised through the strategic use of coalitions has allowed not only for Mauritius to engage in the WTO (where it is regarded as insignificant) and have an impact on global trade governance but also avoid marginalisation as well as the risk of co-option that might entail the inability to
push for the development of Mauritius political economy within the international political economy. Important to this engagement is the activities of a number of Mauritian agents in relationship with the WTO institutional structure, an area that is overlooked by both the marginalisation and the engagement approaches.

However, while Mauritian diplomatic and negotiating activities in the coalitions are critical for the survival of coalitions and the redefining of the WTO negotiating terrain, coalitions remain weak in terms of negotiating capacities to influence decisions which favour the development of Mauritius. Taking this into account, I have tried to give reasons for the weakness of both the African Group and the ACP Group which lie in that the groups are social constructions that are weak, fragile and riddled with mistrust because of the presents of human beings and therefore less effective in exerting much influence capable of turning the negotiations in favour of African and ACP countries. As a result the success intended to be brought about through coalition remains minimal due to lack of negotiating capacity, divergent interest, mistrust, mercantilism and other dynamics within the coalitions. It is no wonder that Mauritius also tries to individually engage and mediate with WTO trade liberalisation in its trade policy-making process as I will argue in the chapter 7.
CHAPTER 7

MAURITIAN ENGAGEMENT AND MEDIATION WITH WTO TRADE LIBERALISATION IDEAS

7.1 Introduction

One major aspect of the SRA as discussed in chapter 1 is its applicability to discourse in that it can be used to explore how discursive paradigms privilege some interlocutors, discursive strategies and tactics, discursive statements, discursive positioning etc. As Hay (2001c) argues, ideas, narratives and discourse play an important role in mediating social structuration that could shape subsequent developments. However, the ability to shape the course of development depends both on the structural factors (strategic selectivity) and on the discursive factors (discursive selectivity). As such ideas are mediated by the context in which actors find themselves and access to the context itself is discursively mediated. This means we need to understand the dynamic processes through which actors come to understand the context and the means by which they come to gain knowledge about the environment as well as both the ‘intended and unintended’ consequences of their action (Hay, Watson and Wincott 2000; Hay and Marsh 1999). Thus the behaviour of actors and the strategy which they consider, the strategies which they use and the policies which they formulate reflect their understanding of the context in which they are situated. As such ideas play a central role in making adequate our understanding of the relationship between agent and structure, conduct and context.

However, this scholarship on the role of ideas in political analysis is limited in terms of empirical analysis, especially on policy changes drawn from Africa, to show the role of global ideas and policy paradigms in political and socio-economic transformation. Yet dominant
ideas in the international system have contributed to policy change in Africa as African actors find themselves within global contexts informed by policy paradigms such as neo-liberalism, globalisation and trade liberalisation. These policy paradigms have been seen to have been translated in different ways across countries “depending in part on the prevailing national policy discourse” (Cambell 2002: 32). If this is the case, it is these ideas rather than the contexts that influence the way actors formulate and act upon decisions and as such should be treated as object of enquiry in their own right.\(^{158}\) Indeed as argued above and in chapter 1, the reaction of state actors to changes in the economy, in terms of policy responses is greatly mediated by the ideas which the actors hold about the environment in which they exist. My aim in this chapter is to make an empirical analysis of policy-making discourse as Mauritius relates to the discourse of trade liberalisation but at the same time argue on the importance of economic factors in influencing policy and thus build on the argument by Marsh (2009) and Smith (2004, 2005, 2006), which also highlighting the importance of economic factors in influencing policy change (see chapter 1).

Mauritius gives a good case study of a country that has a history of managing to engage and mediate with global ideas to suit Mauritian socio economic development needs. I will argue that the discourse of trade liberalisation as underlined in the WTO has influenced trade policy change in Mauritius as mediated by the Mauritian economic, political and social contexts. At the same time it is used to advancing Mauritian interests in the WTO as discussed in the previous chapter. Thus the behaviour of Mauritian actors in terms of trade policy-making reflects their understanding of the global context in which they find themselves – a constraining environment that gives Mauritius little leverage to pick and choose what is good for the development of its political economy in accordance with the wider societal interest of Mauritius. At the same time Mauritius has demanded more policy space in the WTO

\(^{158}\) A similar argument has been given with respect to the discourse of globalisation (Blyth 2002, Watson and Hay 2003, Smith 2005 and Hay and Smith 2005).
negotiations (see chapter 6). As such, it is ideas about trade liberalisation under the WTO rather than trade liberalisation per se which affects Mauritian political and economic outcomes. Under such circumstances, the paradigm of trade liberalisation defines legitimate and appropriate actions for those Mauritian actors involved in trade policy-making.

7.2 Discourse of the link between trade growth and development

By and large the literature on trade reform/trade liberalisation and growth is not conclusive largely because of the differences in methodology (Greenway et al 2002, Winters 2004, Akyuz 2005 and Krasner 1976 and Heron 2008a). Yet some debates on trade liberalisation have influenced policy change in Mauritius. This might be a result of trade liberalisation’s power lying in its discursive role rather than the material. Indeed a number of scholars have argued for the link between trade, growth and development (Sachs and Warner 1995, Drabeck and Laird 2001, Bhagwati and Srinivasan 2002, Hoekman 2002, Soludo and Ogbuo 2004, Greenway et al 2002, Wang and Winters 1997, Krueger 2004, Kabbaj 2004 and Tutwiler and Straub 2005). For instance Krueger (2004) points out that the links between trade, jobs and growth are extremely close, - “just as close as love and marriage, or, indeed a horse and carriage” - thus “intrinsically tied” (Kabbaj 2004). In this instance trade has been seen to offer significant “net static and dynamic gain” to all countries over the long period through specialisation in comparatively more efficient sectors, greater competition, increased economies of scale, new technology, access to international markets, facilitation of FDI etc. However, this does not suggest that all individuals and communities will benefit from greater openness – there are winners and losers. As Voituriez et al (2006) warns that countries can potentially be worse off if they liberalize while others do not. For instance the ATPC (2004b) study shows that partial trade reform will not benefit sub-Saharan African countries. It is the

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159 See Winters (2004) and Brunner (2003) for a general account and overview of work on trade liberalisation and economic performance. Brunner shows that there is a large and significant impact of trade on income levels whereas the impact on income growth is small. Also Drabek and Laird (2001 argue that trade liberalisation makes a valuable contribution to the financing of development.
thinking in this study that comprehensive reform of trade policy alone is not very beneficial given the conditions under which trade is practised – for instance trade barriers that exist under “normal circumstances.”

Whilst the above scholarship tries to show the link between trade growth and development, Rodriguez and Rodrik (2001) argue for the difficulties of showing that trade liberalisation leads to growth and development. They point to the short coming of the methodologies used by other scholars which leaves the “results open to diverse interpretations.” The duo find little evidence to support the notion that open trade policies as characterised by lower tariffs and non-tariff barriers to trade are “significantly associated with economic growth.” This leaves the question of the nature of the relationship between trade policy and growth remaining open and contingent on a number of country and external environments (Rodriguez and Rodrik 2001, Rodrik 1999, 2001a, Singh 2003 and Akyuz 2005). Along the same vein Stiglitz (1998) is of the view that trade can play a crucial role to development but not in a way as traditionally portrayed by economists. Instead openness leads to an improvement in the way in which inputs are transformed into outputs as such countries must adopt trade policies that bring about such transformation. As such there is need to design policies to “spur openness and capture its potential benefits” – the need to focus on “realising the transformative power of interaction with the outside world” (Stiglitz 1998: 37). Hare and Davis (2006) acknowledge this view when they argue that the impact of trade policy measures on economic performance is dependent both on other policies and on subtle features of the institutional environment.

\[\text{\textsuperscript{160}}\]Parris (1999) also argues that under some “circumstances” liberalisation and even export growth can be harmful to developing countries including even under “normal circumstances” because of barriers to trade.

\[\text{\textsuperscript{161}}\]This view is strongly supported by Gregory et al (2010) when they observed that the pace of trade reforms waned in the mid-2000s followed by a halt and reversal in some instances due to the global financial crisis with the possibility of a rise in protectionism due to a rise in unemployment, uneven growth and government protection measures with the surest way of avoiding protectionism being the conclusion of the WTO Doha Round as part of the exit policy from financial crisis.
Drawing from the above discussion, benefits of trade openness should not be “oversold” because “deep trade liberalisation does not deserve the high priority it gets in development strategy” (Rodrik 2000: 8) (see also Rodriguez and Rodrik 2001, Rodrik 2001b, 1999 and Voituriez et al 2006). This becomes critical at a time when development strategy is becoming “increasingly synonymous with global integration” and yet there is no credible evidence to show that “significant growth boost will follow from the lowering of barriers to trade and investment” (Rodrik 2000: 1-2). This makes openness an inadequate substitute for development strategy (Ibid.) – as “trade does not of itself and in itself bring a better world” (Mandela 1998). Such observations help us understand why some African countries have come to realise the importance of trade as an “engine of growth” and the need to mainstream trade issues into “broader national development strategies, in order to achieve pro-poor growth” (UNECA 2004c). As such trade liberalisation has to be planned and carefully sequenced – it also requires the development of “an appropriate regulatory framework” and that there is no “one size fits all” in international trade (UNECA 2004d, 2007, 2009c and ATPC 2004b). Because of this, international trade should be seen as part of a development strategy and “it does not substitute for it” (Rodrik 2000: 10). More so as put across by HKPCSD (2005) for trade to have impact on growth and poverty reduction there should be a design of a trade regime, that take into account the trade policies of individual states, the behaviour of the corporate sector and the choices of consumers.

Thus trade must be examined as comprising one of the key pillars for bringing sustainable development to African countries (UNECA 2010b). This is because trade is a critical element for development strategies. A view acknowledged by African Ministers of Finance, Planning and Economic Development that trade comprises an important source of finance and raising prosperity (UNECA 2004c) (see also UNECA (2009c). Because trade is a critical element to

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162 See also Rodrik (2006) were he argues that the evidence that neoliberal policies on macroeconomic, price distortions, financial liberalisation, and trade openness has worked and improved national growth rates is weak.
development, it makes the WTO a significant institution in making trade an effective tool for poverty reducing growth (Hoekman 2002).\(^{163}\) However, Amoako warned African countries not to liberalise trade blindly because in many cases openness has not translated into growth – instead countries should adopt trade policies driven by “strategic development objectives” (UNECA 2004a, Singh 2003).\(^{164}\) Nonetheless whilst liberalisation should not wait for other policies, there should be an element of timing so that other policies interact with trade liberalisation (Winters 2004 and ATPC 2004b). As such, opening up does not mean exposing one’s weaknesses but the ability to protect one’s self from exposure (Rodrik 2000, 1999). This is because a strategy of global integration “precludes” other policies that might be development-friendly. This might entail that trade policy reform should be accompanied by other broad policy reforms (Sachs and Warner 1995 and UNCTAD 2007). Thus while the “institutional prerequisites of global insertion overlap with those of development, there are also tensions between the two” (Rodrik 2000: 5). Bearing the above in mind trade policy-makers in Mauritius and other African countries should be conscious of the opportunity costs of taking trade liberalisation as a project of no alternative. However, given the controversy of the discourse on trade, growth and development there are strong priory reasons anticipating divergent ideational response to trade liberalisation by different African states. Yet this divergence seems to have been stifled because these states are locked in the WTO trade liberalisation agenda – an agenda which presents a lens through which trade policy makers view the context of multilateral trade liberalisation.

\(^{163}\) Sachs and Warner (1995) agree with Hoekman (2002) but tend to suggest that it is possible to gauge the overall reform programme of a country according to the progress of its trade liberalisation.

\(^{164}\) Although conceptually openness and trade liberalisation can be distinguished, it is difficult to separate them in practice (Winters 2004, Oyejide 2004 and Akyuz 2005) and as such for the purposes of this study the two terms are used interchangeably because of the measured outcome and the difficulties in separating the two.
7.3 Role of the WTO and its lock in effects

The unknown outcome of globalisation together with the weak evidence to show that trade liberalisation does not necessarily transform into economic growth and development has not stopped most African countries including Mauritius from embarking on trade liberalisation programmes.\(^{165}\) This might be due to trade liberalisation becoming a lens through which trade policy makers view the multilateral trade system. This does not come as a surprise as some studies such as by Anderson et al (2005) argue that a movement to free merchandise trade under the WTO would boost real incomes in Sub-Saharan Africa proportionally more than in other developing countries or in higher income countries irrespective of the trade loss in some parts of the region. The ATPC (2004b) study also comes to the same conclusion arguing that the benefits from trade liberalisation increase with the depth of reform. On the other hand Wang and Winters (1997) agree with Anderson et al and argue that Africa is still relatively closed and needs to open up. Yet the UNECA (2009c) shows that potential gains from the Doha Round would be unevenly shared with Africa receiving the smallest share of the overall benefits if the present modalities set in 2008 were to be used as the basis for the final agreement. As argued by Gallagher and Wise (2009: 1), that the claims that developing countries will be the bigger winners under the Doha Development Agenda is based on “shaky assumptions, controversial economic modelling, misleading representations of the benefits, and disregard of the high costs” to be incurred by developing countries under Doha trade liberalisation.

\(^{165}\)Niemi (2006) argues that trade policy should be accompanied by other policy reforms to avoid leading to disequilibria and benefit the poorest. Hence the effort by Mauritius to improve on natural barriers to trade for example by improved trade facilitation. For the UNECA (2004d) the relationship between trade openness and growth is hard to prove but because of the strong linkage between trade policy and other economic policies it is difficult to isolate the impact of trade policy on growth but there is need for liberalising trade cautiously (see also Akyuz (2005). For Oxfam (2001) international trade flows have been accompanied by inequalities within and between countries. As such there is need to seriously address developmental issues under the Doha Round.
However, there is rationale to suggest that one of the reasons for increased Mauritian activism in the WTO as discussed in chapter 6 is the result of the interpretation of the context in which Mauritian actors make trade policy. This might be a consequence of the overselling of the benefits of trade liberalisation to African countries by IFIs and western economists (Mkandawire 2005). Vishwanath, talking at the WTO Public Forum, acknowledged this argument noting that negotiators were not “transparent and honest” when they talked about a development round (WTO 2007a). As a result trade liberalisation by some African countries is a function of “an element of illusion” about the Doha Round and its relationship to development which needs re-looking especially in the context of both the limits and opportunities rendered by trade as a tool for development (WTO 2007a). This is because the whole idea of the Doha Round being developmental is misleading – instead it is anti-developmental (Chang 2010). Yet Mauritius and other African countries have demanded that the WTO delivers on outcomes that help in the development of their economies (see chapter 5 and 6).

Indeed the South Centre (2008) thinks the WTO is obsessed with trade liberalisation and the opening of markets.\(^{166}\) This makes the WTO to continue remaining a neoliberal institution that promotes trade liberalisation for “its own sake” (South Centre 2008).\(^{167}\) UBUNTU (2005) acknowledges the above view arguing that the Doha Round is an attempt to continue and increase the neo-liberal strategy started over two decades ago.\(^{168}\) This makes the WTO the most important multilateral institution because of its role of governing world trade, through its conventions on tariffs, import quotas, foreign investment and intellectual property

\(^{166}\) The WTO has been viewed in many academic and policy circles as a vehicle for globalisation (Aga Khan 1998, Khor 1998, Isimbabi 2000, Hocking and McGuire 2004, UBUNTU 2005, WTO 2009c, Moon 2004, Odell 2006 and Jawara and Kwa 2003). As such there are instances in this chapter where the term globalisation is used together with international trade liberalisation.

\(^{167}\) Drabek and Laird (2001) argue that multilateral negotiations for trade liberalisation have synergies in the form of cooperative gains that are absent under autonomous liberalisation and that trade liberalisation at a global scale increases the gains from international specialisation through comparative advantage.

\(^{168}\) Indeed Mauritius and most African countries are more open economies due to the reforms that took place in the 1980s and 1990s (ATPC 2004a, 2004b).
and thus far more significant for “day-to-day economic activity” compared to other institutions like the World Bank and the IMF (Bridwell 2004 and Bagwell and Staiger 2009). The WTO (2010a) puts it that the organisation deals with global rules of trade between nations with the main function of ensuring that trade flows “smoothly, predictably, and freely” as possible on a level playing field – and that it seeks to place the needs and interests of developing countries at the centre of its working programme. This is clearly stated in the preamble of the Marrakesh Agreement establishing the WTO which recognises the need for “positive effort” aimed to ensure that developing countries, especially LDCs get a share in the growth of trade “commensurate with the needs of their economic development” (WTO 1999: 4).

Indeed the WTO notes that international trade can lead to economic growth and development and the WTO is at the forefront of the efforts to make this happen for developing countries – as intended by the Doha Round (WTO 2001h). It is because of such thinking that the ideas of development and development perspective were introduced in the Doha Round which according to Magdi Farahat were not present in the previous round (WTO 2007a) – yet the WTO was never envisaged as a development organisation. The above views provide the interface between Mauritian actors and the WTO trade liberalisation. This probably attracts Mauritius to the WTO with the hope that the WTO will one day deliver on its intentions about the developmental needs of Mauritius. The same reason probably attracts other African countries to the WTO. Interviews with a number of African delegations reveal their expectation of the WTO delivering on their developmental needs. For example the delegate from Swaziland expressed the view that the ACP Group wants the Doha Round to be “a development round and have adjustment compensation” (Interview 16/07/2010).169

169 Interview with a Swazi delegate to the WTO.
The above means that for developing countries, the content of the Doha Round must be translated into positive outcomes for developing countries “trade and trade balance, improvement in production and supply capacity, and increased employment and incomes of our people” (WTO 2007b). These are among the development yardsticks by which negotiating proposals, negotiations, modalities and texts have to be assessed. Moreover there is the perception that a multilateral trading system is capable of providing much “greater protection of the interests of small and marginalised countries than bilateral negotiations with larger powers” (ICFTU 2005b) (see also Ali 2003 and chapter 5). Thus the WTO trade liberalisation provides cognitive template through which Mauritius and other African policy makers understand the WTO environment and the multilateral trading system in which they are situated. In this instance the discourse on trade liberalisation and development has been used to demand for positive outcome that are conducive to development.

But the WTO also restricts the policy space for countries to pursue developmental policies. This is because as a paradigm that defines legitimate and appropriate action, trade liberalisation under the WTO also serves to delimit a range of feasible policy options in the context of multilateral trade liberalisation. This provides cognitive templates through which actors involved in trade policy-making understand the multilateral trading environment. Yet some of the policy options provided for by the WTO are not beneficial to Mauritius. As a result by signing the WTO agreements Mauritius gave up a lot of its sovereignty and power to map its way for development (see Mutunhu 2011). As argued by Mkandawire (2005) the WTO restriction of policy space in promoting industrial diversification and trade is comparable to “pulling up the ladder” because the international trade regime to which African countries are “tethered” restrict them from capturing the potential gains from the global

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170 I view this as a perception given the constraints faced by smaller and weaker countries in having their interests considered in a meaningful way in the multilateral negotiations let alone protected. According to the FTA (2005) the Doha Round has divided the have and the have-nots on the shape of the new trade liberalisation agreement.
market. For instance the Trade Related Investment Measures (TRIMS) Agreement prohibits investment measures involving local content policy that are useful as development tools (Khor 2005). Hardstaff (2003) also thinks that the whole issue of flexibility in the WTO is a myth that undermines the ability of developing countries to use appropriate policies to achieve development. Rodrik (2001b, 2004), Hausmann and Rodrik (2003), UNECA (2004d), Primack and Bilal (2003), Singh (2003), Chang (2010) and UNCTAD (2008) argue along the same line describing WTO rules as eroding developing countries policy space compared to the old GATT. For instance export subsidies are illegal, so is domestic support especially to exporting companies, quantitative restrictions to imports are also illegal. Patent laws also restrict the policy space for industrialisation in developing countries through restricting the ability to copy technology. Such rules according to Singh (2003) are anti-development and need further negotiations. This view is supported by an UNCTAD official that the WTO limited space restricts the protection of infant industries (Interview 04/08/2010).

Because of the restriction on policy space, Mauritius through the African Group and the ACP Group has used the discourse on the link between trade and development to demand for greater policy space to help in the development of the Mauritian economy (see chapter 6). Interviews with African delegates also show concern about the WTO restrictive policy space. For instance the delegate of Tanzania thinks that the WTO is a “good thing” but it must allow African countries “policy space to allow development” (Interview 04/08/10). Delegates form Madagascar (Response 17/08/2010), Botswana (Response 22/07/2010) and Zambia (Response 25/07/2010) expect ‘predictability in rules governing global trade’ and a delegate from Namibia hopes the WTO would allow policy flexibility (Response

171 Interview with an UCTAD Official.
172 Interview with a Tanzanian delegate to the WTO.
173 Response from a Madagascandan delegate to the WTO.
174 Response from a Botswana delegate to the WTO.
175 Response from a Zambian delegate to the WTO.
Because of such restricting trade policy instruments, African countries are left with less room to manoeuvre than East Asian countries had in the past (UNECA 2004d and Tandon 2009). Yet this realisation of the restrictive policy space does not in any way change the view of Mauritius that trade liberalisation is essential for the development of the political economy of Mauritius. Instead it is used for demanding greater policy space to help in the development of Mauritius.

Moreover the very sources of ideas on the benefits of trade liberalisation tend to act contrary to their ideas. There is a lot of hypocrisy coming from developed countries which in most instances preach the advantages of free trade and yet they continue to protect their markets (Stiglitz 1998, Oxfam 2001, Basu 2008, Rana 2008, Friedmann 2004, Bridwell 2004, Sharma 2003, ActioAid 2003, Nyerere 1998, Cardoso 1998, ATPC 2004a, Oxfam 2004, Paganini 2005, and Hoekman 2007). Indeed Bridwell (2004) and Friedmann (2004) highlight the fact that developing countries emphasise the moral hypocrisy of the rich countries which preach the virtues of global free trade while their governments continue to provide their agricultural sectors subsidies that harm the poor in developing countries. According to Basu (2008) developed countries only promote the doctrine of free trade to their victims – (see also Mkandawire 2008). A view supported by Stiglitz (1998) that international financial institutions especially the IMF and the WTO have protected the interests of large American and European corporations at the expense of the poor in the developing world. Under such conditions fair trade does not achieve its goals because the idea is vague and based on “hypocritical policies and ideologies” (Ibid.).

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176 Response from a Namibian delegate to the WTO.
177 According to Hoekman (2007) the status quo on multilateral trade under the auspices of the WTO reflects “the political economy of protectionism.”
178 But such rhetoric and hypocrisy enables us to understand the WTO and the social world.
The above discussion demonstrates that despite the trade liberalisation paradigm in the WTO serving to delimit the range of policy options, the discourse of trade liberalisation in the WTO specifically under the Doha Round attracted increased activities in the WTO by Mauritius. This means that the ideas on the benefits of trade liberalisation under the WTO has a bearing on the behaviour of Mauritian actors, the strategies they consider, the strategies they employ, and the policies they formulate. What does this entail in terms of ideas of international trade liberalisation held in the WTO vis a vis trade policy making in Mauritius? As argued in chapter 3 in the fourth epoch Mauritius is alleged to be under heavy pressure from globalisation because of the loss of preferences, reform of the EU sugar protocol and the high international price of oil which has affected Mauritius’ terms of trade (see also Ndikumana et al. 2009 and IMF 2006c). As a result Mauritius embarked on a number of trade reforms involving trade liberalisation in response to the external shocks that threatened the competitiveness of the pillars of the Mauritian economy (IMF 2006c, Imam and Mathieu 2008, Imam and Kohler 2010, IMF 2010) with the objective of cashing in on the developmental round. This implementation of WTO provisions has a strong impact on Mauritian economy and policy-making. However, the idea of trade liberalisation although real might, in some instances might be more rhetoric than substantive. As argued by Soludo and Ogbuo (2004) that in principle under trade liberalisation countries are free to choose the policies they feel serve them best but in practice both the WTO and the globalisation process are rapidly changing the rules thereby circumscribing the policy choices open to policy-makers.

Indeed the conduct of Mauritius as discussed in chapter 6 is to a greater extent informed by the ideas those Mauritian actors involved in policy-making and negotiating hold about the WTO context, which they see as both an imperative and an external constraint that necessitates trade policy reforms in Mauritius as well as strategies in the WTO. For example
it is because of the ideas that Mauritius holds about the WTO as an asymmetrical institution that Mauritian negotiators think the idea of coalitions helps in defining interests through the re-creation of shared interests into the international agenda and at the same time being able to pursue self interests. As argued above and in chapters 5 and 6 the WTO as a global economic governance structure created the rules and regulations for international trade that restrict national trade policy-making and at the same time opened the avenue for Mauritius’ meaningful participation in trade negotiations, as I will show below. Moreover as argued by Ancharaz (2006: 9), Mauritius benefits from the “first-hand information” that comes out of WTO trade meetings – information that allows “appropriate economic strategies to be developed over the long term.” Under such circumstances the ideas of trade liberalisation as entrenched in the WTO provide cognitive filters through which Mauritian actors evaluate the merits of contending potential courses of action, both at the domestic and international levels. This is important to understand as Mauritius moves away from a less policy restricting trade liberalisation paradigm to a more restricting one under the WTO.

7.4 Mauritius, from unilateral trade liberalisation to multilateral trade liberalisation


¹⁷⁹ See Ancharaz (2003b) who argues along the same line.
followed a flexible path of trade liberalisation that has allowed the development of a local manufacturing sector under “a trade environment protected by high tariffs” (Narrainen 2002, Servinsingh 2003b).\textsuperscript{180} This is because Mauritius’ autonomous trade liberalisation has been motivated by domestic needs rather than multilateral proposals under the WTO (Ancharaz 2006 and Interview 09/08/2010).\textsuperscript{181} Indeed Ancharaz argues that under autonomous trade liberalisation the international community had indirect influence on trade policy-making in terms of spelling out the benefits of trade liberalisation which helped to change the mindset of policy-makers (2006). This allowed Mauritius policy space to adopt a two-track strategy building its economic performance on a combination of “orthodox and heterodox strategies” (Rodrik 2001b) (see also WTO 1995b, 1995d, 1995e, 2001g and 2008j).

With the change in the discourse of trade liberalisation and the coming into existence of the WTO, trade liberalisation ideas have to an extent constrained and circumscribed the context in which Mauritian actors interact. The influence of the global paradigm on trade liberalisation has becomes even greater under the WTO which promotes these ideas. For instance the dynamics behind the Mauritius’ developmental trajectories have changed especially with respect to trade openness. Indeed Ancharaz (2006) admits that the WTO indirectly fashioned the TPU. Thus with a changing environment due to globalisation and the coming into existence of the WTO Mauritius had to change its view with respect to the new environment in which it is now situated. Multilateral trade liberalisation has made Mauritius rethink in terms of trade diplomacy in an attempt to preserve the preferences the country once enjoyed (World Bank 1989, 1992, 1995 and AfDB 2009) (see also Chapter 4). As such the ideas of trade liberalisation have come to play a critical role in Mauritian trade policy formulation in recent years and the WTO seems to have a mechanism to ensure that this happens.

\textsuperscript{180} Nath and Sobhee (2002) also showed that external funds and domestic funds were complementary in the development of Mauritius.

\textsuperscript{181} Interview with a Mauritian delegate to the WTO.
There seem to be no doubt that the WTO as a “disseminator of institutional policy knowledge” plays a central role in “encouraging, supporting and even coercing trade (and trade-related, including investment) policy reform” (Morrissey and Nelson, 2001: 3) – a view supported by ATPC (2004a), that the WTO imposed greater trade liberalisation. Yet it is not the duty of the WTO to provide policy advice (Interview 13/08/2010). But the WTO seems to do so through representing and promulgating a specific position on what constitutes optimal trade policy. This optimal trade policy involves non-discriminatory liberalisation and is accepted by all members. As argued by Kabbaj (2004) that the many advantages of trade liberalisation in the context of internationally agreed rules and regulations are now generally accepted. Moreover the WTO as a body that monitors and regulates compliance and implementation of the GATT 1994 has a noticeable influence on governments towards trade and investment. This is partly because of the enhanced transparency of WTO operations and access to WTO information, reports and data base, especially on trade policy review, that helps civil society, research institutions, think tanks and other stakeholders to engage in policy formation processes at the domestic level (Hoekman 2002).

However, the only direct intrusion in the trade policy of a member country is through the Trade Policy Review Mechanism (TPRM), only in an analytical capacity (Narlikar 2001) – (see also WTO 2008n). Indeed the TPRM is a system of surveillance of Members’ trade policies (WTO 2009e). Trade review allows the TPRM to carry out an examination of the full range of trade policies and conduct of each WTO member country at regular intervals to “monitor significant trends and developments which may have an impact on the global trading system” (WTO 1995d, WTO 2001e). The review covers all aspects of a member’s trade policies, including domestic laws and regulations, institutional frameworks, all forms of

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182 Interview with a WTO Secretariat Official.
preferential agreements, the economic needs of the country and the external environment and requests the country under review to take corrective measures where it deviates from trade rules. This makes the TPRM serve as a useful information transfer mechanism that may result in trade policy change through what Morrissey and Nelson (2001: 8) term changing the “beliefs of the incumbent policy-makers producing change in policy.” This opens up the possibility of experts systematically misleading policy-makers largely because a majority of policy-makers might be pursuing that policy. For instance delegates from Madagascar (Response 17/08/2010) and Zambia (Response 25/07/2010) “feel pressured” by trade liberalisation and globalisation imperatives – that “every member must ensure its trade policy is aligned to the multilateral rules” (Response 25/07/2010).\textsuperscript{183} Thus the WTO provides a trade liberalisation lens through which trade policy-makers interpret the multilateral trading system and at the same time provides a mechanism to ensure that the ideas it holds are implemented. As a result it is the WTO which determines the type of ideas employed, their theoretical level and their explanatory scope making the WTO a “situated practice” or a “standard operation procedure,” determining Mauritius’ choice of institutional framework.

This intrusion of TPRM on trade policy-making is evidenced in Mauritius when the WTO advised Mauritius to take corrective measures in view of Mauritius pursuing a dual economy that continued to protect certain sectors of the economy and (WTO 1995b, 1995d, 1995e, 2001g and 2008j). In this instance Mauritius was asked by some Members of the WTO to eliminate its duty discriminating treatment between scheduled and non-scheduled suppliers and excise duties between foreign and domestic products and instead adopt most favoured nations (M.F.N) and national treatment principles. Again in 2001 Mauritius was encouraged to further liberalise its trading regime through simplifying its tariff structure (WTO 2001e). Beginning 2005 Mauritius revisited these areas of concern by other WTO members and

\textsuperscript{183} Responses from Madagascar and Zambia delegates to the WTO.
embarked on a three year programme (2006-2009) to turn Mauritius into a duty free Island thereby levelling the field between those producing for the domestic market and those for export markets. In April 2005 Mauritius removed the 10% additional duty applied to “non-scheduled” countries making customs tariffs M.F.N. compliant (WTO 2008i, WTO 2008j). By 2011 Mauritius had eliminated tariffs on 90 percent of imports (Ministry of Foreign Affairs Regional Integration and International Trade 2011). Such actions by Mauritius were made possible because Mauritian actors involved in trade policy-making perceive the actions to be legitimate and appropriate as provided by the multilateral trade liberalisation context.

Moreover the locking in of Mauritius in the rule based trading system has led to a perception that Mauritius like other developing countries has no other alternative to development than the trade liberalisation route; as argued by Lee (2007: 137-154) that “there is no other option than to seek to influence the outcomes in WTO negotiations”. Indeed in 1995 Gunjah who was then the Mauritian Minister of Trade and Shipping noted that the fact that Mauritius was a founder member of the WTO demonstrated the country’s commitment to the organisation “particularly to the liberalisation and expansion of world trade on the basis of reciprocity and non-discrimination and on the principle of special and differential treatment to developing countries” (WTO 1995c). Such locking in makes it difficult if not impossible for countries to alter their commitments – which according to Hardstaff (2003) deny governments the ability to change the “option for economic course for instance roll-back liberalisation, introduce regulations or list extra exemptions” (see also UNCTAD 2008). For instance because of being locked in the WTO Mauritius cannot change the WTO decision on the phasing out of the Multi-Fibre Agreement but is able to re-examine its policy at home to try and help the textile industry in face of competition (Ancharaz 2006). The JEC (2005: 1) puts it that because of the new competitive environment at the international and because of the irreversible loss of preferences the new economic model for Mauritius entails Mauritius
becoming “an integrated, clean and efficient platform in the global supply chain, mainly in services and driven by good governance, an open transparent investment climate, high skills and state of the art infrastructure.” It is partly because of such thinking that the Mauritian Government in 2006 implemented some of the “bold reforms” in the history of the country taking into account that reliance on trade preferences was now obsolete (see chapter 3). Again it is due to the interpretation of the WTO multilateral trade liberalisation by Mauritian actors that such reforms had to be taken.

7.5 Alternatives to the WTO

Against this background is the resurgence of the idea that the best strategy for the development of developing countries is to focus on a production plan for various sectors and allow a central role by government in co-ordinating overall economic activity including assisting and activating the private sector activities – a “rediscovery of the need for a strong role of a ‘developmental state’ in a new economic strategy” (South Centre 2010a). As put across by Basu (2008), that growth leads to trade and not the other way round and by Tandon (2009) that “if there is no production there is no trade.” This is a move away from neo-liberalism with countries following the examples of East and South East Asian countries (UNECA 2004d, South Centre 2010a, Basu 2008, Tandon 2009 and ATCP 2004a). At the same time there are calls for China and other East Asian countries to relook at their development strategies from reliance on exports to the West for their growth especially in face of the recent global recession (South Centre 2010b, South Centre 2010a).

Moreover as argued by Mashayekhi et al (2007) and Action Aid (2003) there are concerns in the WTO that RTA negotiation might bypass WTO negotiations. For instance regional arrangements such as the EPAs between the EU and the ACP countries tend to be WTO plus
with deep integration for African countries (UNCTAD 2005 and Interviews 04/08/2010).\footnote{Interview with an UNCTAD Official.}

The principle objectives of the EPAs are the sustainable development of ACP countries; allow a smooth and gradual integration of ACP states into the global economy; and the eradication of poverty. The EPAs will focus on sustainable development, increased production and supply capacities of ACP states and foster structural transformation of ACP economies through diversification. EPAs will also support regional integration existing within the ACP and maintain and improve on current preferential access of ACP exports into the EU market (UNCTAD 2005, ICTSD/IISD 2003a, and ACP-EC 2000). Moreover asymmetric trade liberalisation is perfectly legitimate under EPAs as the case with all FTAs under transition albeit with lengthy transitional periods (South Centre 2009b). On the other hand the EU views EPAs as an alternative to the multilateral system in terms of gaining market access to ACP countries and under which the EU can push the Singapore Issue so much opposed in the WTO (Action Aid 2003). However, the success of the EPAs is partly dependent on WTO rules particularly GATT 1994 Article XXIV (see Heron (2008b). To this end the ACP states submitted a proposal in the WTO Negotiating Group Rules calling for explicit S&D and flexibilities to be integrated into Article XXIV (WTO 2004b, ICTSD/IISD 2003d).\footnote{However, some civil societies think that EPAs are detrimental to developing countries especially in terms of restricting policy space (UNCTAD 2008). Wilson (2006) also doubts if EPAs can address the developmental issues of developing countries. The Alternative to Neo-liberalism in Southern Africa (ANSA) see regional trade agreements such as SACU and SADC as alternative arrangements where free trade can contribute to growth and economic development especially when they capture human centred development and trade between African countries and developed countries – for example EPAs should allow the implementation of asymmetrical trade openness also based on human centred development benchmarks and the use of protective tariffs for protecting infant industries where necessary (2010a). The United States started on “free trade on the offensive” that includes negotiations on regional trade arrangements (Issues 2003) - which according to Medicins Sans Frontieres (2003) will effective weaken or even annul the Doha Declaration. Hoekman (2007) argues on the need to abandon trade policy as a tool for development and instead adopt a broader set of policy instruments both by developed and developing countries.}

On the other hand there is the possibility of the invigoration of South-South cooperation if the WTO negotiations continue to be difficult – as argued by UNCTAD (2010) that the growing role of large developing countries in global trade, finance, investment and governance
together with rapid economic growth has rekindled interest in South-South cooperation. As such whilst free trade is necessary for developing countries to prosper there are other alternatives which the proponents of the WTO do not want to be mentioning (Basu 2008). For example Action Aid (2003) reported that after the failure of the Cancun WTO Ministerial, the US and the EU indicated that they might place greater attention on bilateral and regional arrangements than on multilateral arrangements. This, for Wilson (2006), shows that it is no secret that big powers like the US will continue to broaden its scope of bilateral and regional arrangements as options in light of multilateral collapse. Thus there are alternatives to WTO multilateral trade liberalisation that can bring the same results to Mauritius as sought in the WTO. As argued by an OMU/ACP official that liberalisation is not a question of no alternative but, as shown by developed countries, that rules can be broken ‘without any problem’ (Interview 02/08/2010).

Yet the Mauritian Government besides facing many challenges during the fourth epoch (see chapter 3) decided not to roll-back its liberalisation programme but to “maintain a high level of openness” (WTO 2008i) – but why? As discussed earlier the answer might lie in how the discourse of multilateral trade liberalisation has been presented to Mauritian decision-makers. An insight on the presentation of trade liberalisation discourse to Mauritius can be sought from trade related technical assistance which has an influence on the way Mauritian actors interpret the WTO trade liberalisation environment.

186 UNCTAD (2010) argues that South-South cooperation now focuses much on economic issues especially mechanisms for enhancing growth; poverty reduction and integration into the global economy (see also Hoekman 2007, South Centre 2004 and South Centre 2006b, Akyuz 2005, Yang 2005 and UNCTAD 2008). The Mauritian Deputy Prime Minister Rama Krishna Sithanen, also thinks that it makes sense to develop South-South cooperation and that Mauritius and China reached a deal for the Chinese to help in setting up a trade and development centre in Mauritius (IMF 2007b). The AfDB (2004) notes that Mauritian excess domestic savings are channelled towards productive investment outside the country e.g. in Madagascar and Mozambique.

187 ActionAid (2003) gives an argument of the wavering on commitment to multilateralism by some countries in favour of regionalism, bilateralism or even unilateralism as alternatives to multilateral arrangements.

188 Interview with an ACP Official.
7.6 Technical assistance and the discourse of trade liberalisation

Technical assistance has been seen as the oil that ‘smoothed’ and softened developing countries to agree to the Doha Development Round (ICTSD/IISD 2003e). Yet there is more to it than smoothing oil as the nature of technical assistance affects the participation of developing countries in an adverse way (Narlikar 2001). This is because technical assistance has an effect on the perception adopted by the recipients about the WTO trade liberalisations. The WTO plays a big role in providing such technical assistance and perception especially through the Technical Assistance Programme for African Countries, the JITAP and the Integrated Framework for Trade-related Technical Assistance focused on LDCs. The WTO comparative advantage in technical assistance lies in developing negotiation capacity and in building institutional capacity to understanding the rules and implementation of WTO Agreements (WTO 2002). However, much depends on the quality and nature of assistance rendered which tends to have an effect on the perception of recipients about the WTO trade liberalisation. This is because assistance in areas of preparing countries for negotiations and formulation of trade policy is controversial because advice given to one country may adversely affect the interests of another WTO member (ICTSD/IISD 2003e and South Centre 2004).

Indeed the assistance is seen by some developing countries as meant to drill developing countries with more pro-liberalisation training for them to give in on a number of issues of interest to developed countries such as the Singapore Issues (Narlikar 2001 and South Centre 2004). At times the advice may not be based on sufficient information on the economic realities of the country nor its development strategies taking into consideration the vulnerability at the national and sub-national levels. Yet it is the view of the WTO that technical assistance forms “an integral part of development plans” to “mainstream trade into national plans for economic development and strategies for poverty reduction” (WTO 2002,
To this end the WTO Secretariat gives seven categories of priority areas in which technical assistance is provided and expects countries to pick from the menu. However, such an a la carte approach means some priority concerns of developing countries may not fit in any one of the proposed categories (ICTSD/IISD 2003e). Indeed Narlikar (2001) highlights the tension between assigning greater responsibility for technical assistance to the WTO secretariat and its limitation to act in a neutral way. For instance the South Centre (2004) thinks the WTO Secretariat has used technical assistance as a “carrot” in trying to secure acceptance by developing countries on the expanding WTO Agenda. On the other hand Carolyn Deere talking at the 2007 WTO Public Forum raises the need for capacity to ensure that developing countries do not only comply with WTO rules but ensure that the manner in which they comply enables them to advance their development objectives taking where possible the policy space provided by the trade rules (WTO 2008n).

On the other hand other international actors can influence policy choice by “altering the priors, providing technical advice or providing information on the effects of the policy choices of others” (Morrissey and Nelson 2001: 1). For example the commitment of donors to Aid for Trade reflects the priorities of the donors in areas of interest to them where recipients have to focus (Buzdugan 2009). A view supported by Deere that where the technical assistance programmes are donor funded resources are allocated according to the national priorities of the donors (WTO 2008n) (see also, South Centre 2004, 2006a, Morrisay and Nelson 2001, and Medicins Sans Frontiers 2003). Deer further notes that donors prefer to give technical assistance at the bilateral level where they can influence the interpretation and
implementation of WTO rules as well as advance their interests in the recipient country. Given the competition among donors it becomes difficult to identify “neutral advice” and in the end “neutral advice” entails compliance with WTO rules leaving the country unable to implement WTO commitments in accordance with their developmental objectives (WTO 2008n). Indeed Medicins Sans Frontiers (2003) warns that some developed countries “have been providing inappropriate and dangerous technical assistance” to developing countries which undermine the countries’ efforts to development. For example Jensen (2007) argues that Africa is not served by the advice emanating from trade analysts and international organizations to abandon its S&D agenda in favour of greater involvement in the setting of general WTO trade rules. Needless to say African countries benefit from such technical assistance where their interests coincide with those of the donors. For example because of its openness, Mauritius is interested in ideas held by developed countries on trade facilitation and trade and competition and has attracted much TRTA from developed countries. Table 3 shows that Mauritius has received seven trade related technical assistance initiatives in trade facilitation (which is of interest to developed countries) all but one sponsored through ODA development grants from France, the United States, International Development Agency and the WTO.

Table 3: TRTA Received by Mauritius as of 2007

<table>
<thead>
<tr>
<th>Funding Country/Agency</th>
<th>Implementing Country/Agency</th>
<th>Beneficiary country</th>
<th>Commitment date</th>
<th>End Date</th>
<th>Type of Flow</th>
<th>TRTA/CB Main Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mauritius</td>
<td>France</td>
<td>Mauritius</td>
<td>01/02/2006</td>
<td>31/12/2006</td>
<td>Self-financing</td>
<td>Trade Facilitation</td>
</tr>
<tr>
<td>Multiple Donors</td>
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<td>Mauritius</td>
<td>01/01/2005</td>
<td>31/12/2005</td>
<td>Developmental grant (ODA/OA)</td>
<td>Trade-Related Training Education</td>
</tr>
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<td>France</td>
<td>Mauritius</td>
<td>01/01/2005</td>
<td>31/12/2005</td>
<td>Self-financing</td>
<td>Trade-Related Intellectual Property Rights</td>
</tr>
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<td>United States</td>
<td>Mauritius</td>
<td>01/02/2002</td>
<td>31/12/2002</td>
<td>ODA/OA</td>
<td>Trade Facilitation</td>
</tr>
<tr>
<td>Organization</td>
<td>Donor</td>
<td>Partner</td>
<td>Date(s)</td>
<td>Sector(s)</td>
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<tr>
<td>IDA - International Development Agency</td>
<td>IDA</td>
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<td>2/2003</td>
<td>ODA/OA Regional Trade Agreements (RTAs)</td>
<td></td>
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<td>IDA</td>
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<tr>
<td>Multiple Donors</td>
<td>International Trade Centre (ITC)</td>
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<td>5/2004</td>
<td>ODA/OA</td>
<td>Services</td>
<td></td>
</tr>
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<td>UNCTAD</td>
<td>Mauritius</td>
<td>6/2001</td>
<td>ODA/OA</td>
<td>Customs Valuation</td>
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<tr>
<td>Japan</td>
<td>WCO</td>
<td>Mauritius</td>
<td>02/2003</td>
<td>ODA/OA</td>
<td>Tariff Reforms</td>
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<td>02/2003</td>
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<td>ODA/OA</td>
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<td>8/2007</td>
<td>ODA/OA</td>
<td>Trade Mainstreaming in PRSPs/dev. Plans</td>
<td></td>
</tr>
<tr>
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<td>WTO</td>
<td>Mauritius</td>
<td>5/2006</td>
<td>ODA/OA</td>
<td>Trade-Related Intellectual Property Rights</td>
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<td>WTO</td>
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<td>9/2002</td>
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<td>Sanitary and Phytosanitary Measures</td>
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<td>7/2002</td>
<td>ODA/OA</td>
<td>Sanitary and Phytosanitary Measures</td>
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</tr>
</tbody>
</table>

Source: Extracted from the WTO
In as much as it has a socialisation effect on how Mauritian actors think about trade liberalisation, such training from outsiders has in some countries helped in weakening national institutional mechanisms that provide negotiating experience, technical expertise, research and analytical preparation for the negotiations including information about their negotiating counterparts to effectively carry out their negotiations. However, this has been mitigated in Mauritius by the development of national institutional capacity and memory in terms of WTO negotiations as I discussed in chapter 5. Critically, there is no doubt that such trade related technical assistance influences the way decision-makers view trade liberalisation in relation to the broader economic, political and social environment in which the ideas of trade liberalisation are constituted.

7.7 Trade liberalisation discourse in Mauritius

As the above discussion reveals Mauritius trade policy is influenced by the underlying WTO ideas and how Mauritius is locked into the WTO despite the constraints it faces in terms of negotiations and policy space. A result trade liberalisation is presented to the Mauritian audience as a positive thing especially in reflection of the role of trade in the development of Mauritius. This is despite the rhetoric on trade liberalisation in the WTO that claims precedence over defending national interests (Action Aid 2003 and Perez Solla 2003) – thus the WTO locks Membership commitment to trade liberalisation rather than to national interest. This rhetoric has contributed to governments, business, and NGOs not being able to convey exactly what is going on in the WTO to the voters leading to a tendency for governments to blame globalisation and trade liberalisation for any unpopular policy (WTO 2007a). This is because whilst countries might want to benefit from free trade they are equally fearful of the impact on imports on their domestic markets. This has in a way contributed to the rhetoric of country ownership of trade liberalisation.
The rhetoric in Mauritius is in such a way that the WTO is sometimes used by the Mauritian government as a “convenient political scapegoat” for either getting greater support for trade liberalisation or curbing any “emerging tension” by blaming the WTO (Responses 16/08/2010). There have been both positive and negative connotations of trade liberalisation under the WTO by Mauritian policy-makers, business representatives and politicians. It seems the Mauritian domestic political economy privileges a discourse that views trade liberalisation as an inevitable process which besides restricting political and economic choices presents opportunities for the development of the political economy of Mauritius. Whereas Mauritius’ engagement in the WTO is presented in terms of a discourse which views trade liberalisation as a contingent process which brings benefits for all and Mauritius’ trade policy is formulated in terms of a discourse of selective liberalisation if it is to benefit Mauritius. On a number of occasions Mauritian politicians have referred to the constraints they face in the WTO as a result of the ideas behind the work of the WTO as an inevitable process. For example when Mauritius introduced legislation in relation to the TRIPS Agreement, a Chamber of Commerce official commented that “Mauritius had no choice than to give those clear signals that it will give the right protection to the legitimate owners of Intellectual Property Rights” (Pillay 2002). But this is not to suggest that trade liberalisation has been seen in a negative way. Quite the contrary as Mauritian politicians, policy-makers and academics tend to articulate trade liberalisation as positive to Mauritius. As Cutteree pointed out in 2004 the challenges faced by Mauritius were “daunting” but with numerous opportunities especially in the wake of a “rapidly” globalising world (Ministry of Foreign Affairs, Regional Integration and International Trade 2005b). As such according to Cutteree, there is a need to “cast” Mauritius as an “important actor” in world affairs and

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189 Response from Ancharaz
“forge” a more prosperous future for Mauritius guided by Mauritian actions in terms of selective trade liberalisation on policy choices as provided by the WTO.

The above view by a politician is shared by an academic Ancharaz who puts it that Mauritius is too small to have much influence in the WTO and “nobody can be blamed” if the voice of its diplomats is not heard but participation in negotiations is vital for the preservation of a policy space especially given the inevitability of the erosion of preferences under trade liberalisation and globalisation (2006). Crucially, it is trade liberalisation that has provided the rational for Mauritian participation in the WTO and integration in the global economy as it is seen as both an imperative and an external economic constraint albeit necessitating trade policy revision to help push for the development of the political economy of Mauritius within the international political economy. As acknowledged by Anchraz (2006) that both Government and private sector stakeholders are aware that that trade liberalisation ‘is the only viable option’ for the country’s trade strategy. Thus there are alternatives to trade liberalisation but trade liberalisation remains “the only viable option.” Moreover this option seems to be providing a common language and vision through which debates over policy can be carried out.

Despite Mauritius’ subsequent economic slowdown in the fourth epoch (see chapter 3) trade liberalisation is still presented in glowing terms. As the JEC (2005) puts it, Mauritius requires a “more integrated economy” in its new development trajectory in order to optimise inter-sectoral linkages; facilitating Mauritius’ clustering approach aimed at reengineering existing sectors into dynamic clusters; and accelerating the emerging culture of outsourcing and improve productivity and competitiveness. For the MCCI trade liberalisation is an inevitable process and there is need to assist Mauritian business to “better integrate in the international trading environment and adjust to the on-going trade liberalisation process” (MCCI 2010).
Indeed Jugnauth (2004:2) thinks Mauritius is running out of time to improve the competitiveness of its industry and other sectors as government cannot “forever seal off local production from foreign competition” (see also Jugnauth 2005). The Mauritian Times acknowledges this view noting that Mauritius is a nation that depends much on external markets (2010). This view is supported by a Mauritian academic that Mauritius cannot ‘swim against the current of globalisation” as depicted by the erosion of preferences resulting in Government encouraging companies to be internationally competitive Ancharaz (2006) (see also MCCI 2009b).

As a result Mauritian politicians, business representatives, academics and policy-makers (who are involved in trade policy-making) see competiveness as necessary for Mauritius to survive in a “globalising world economy” and as argued by Boolell (2010) nothing should “distract” Mauritius from “this path”. As such multilateral trade liberalisation is presented to the Mauritian domestic audience as an external economic imperative that Mauritius has to follow because of the opportunities of pushing for the development of the political economy of Mauritius within the international political economy in accordance with the wider societal interest. A vivid expression is given by the Prime Minister Navin Ramgoolam when he talked of the need to brand Mauritius and differentiate it from other countries and position the nation in the best possible way in the international system “in order to bring maximum benefits to the people” (GIS 2009).

The impact of trade liberalisation discourse on the development of the political economy of Mauritius has been such that rhetoric has in some instances been met with action especially in the area of improving competitiveness by enacting laws to facilitate such processes. The outcome has been that trade is fully mainstreamed in Mauritius’ development plan (WTO 2011). Hence a number of reform measures to “align” its processes to “best international
practices” (Ramgoolam 2008). For instance the National Productivity Council in 1999, the Companies Act 2001, the Financial Services Act, the Trusts Act and the Investment Promotion Act were aimed at facilitating competitiveness. In realising the difficulties faced by the sugar sector and in an attempt to address the unfavourable developments on the international scene Mauritians decided to pass the Sugar Efficiency Act in 2001 that allowed that development and implementation of the Sugar Sector Strategy Plan (2001-2005) comprising a number of cost reduction and revenue enhancing measures aimed at increasing the competitiveness of the sugar sector (UNECA 2003b, AfDB 2004, AfDB/OECD 2008). There are also efforts to diversify the agriculture sector aimed at producing high-value products and food crop together with horticultural exports. In order to enhance competitiveness, the government started work on Food Laboratories to enable the food industry to meet export quality requirements.

Mauritius has also started on the re-engineering of the production processes, overhaul of the management systems and optimisation of resource use in an effort to make its manufacturing sector competitive. Indeed the Global Competitive Report 2010 shows Mauritius ranked 57 in the world (WEF 2010). According to Imam and Minoiu (2008) and (IMF 2008c) Mauritius fares better than most Island states, Asian economies and middle income countries in terms of structural competitiveness. The African Competitive Report 2009 ranks Mauritius 4th in Africa with a score of 4.2 which is above Brazil 4.1, Sub-Saharan average of 3.5, North African average of 4.0 and the Latin America and Caribbean average of 3.9 (WEF 2009).

With regards to trade liberalisation, the government is going beyond its commitments in the WTO, “squeezing in the process many firms to premature closures” as it tries to establish a “Duty-Free Island” while at the same time it is introducing programmes “to promote industrial development” (Jhumka 2007, Newhouse 2005 and Response 16/08/2010).190 For

190 Response from Ancharaz.
instance in its 2009 special budget, the government took about 200 measures to combat the financial crisis with Rs 4 billion given by government to save employment (Mauritian News 2010).

But Mauritius’ ability to continue on a trade led growth path depends on the extent to which Mauritius responses to global trade liberalisation. This is precisely because of the uneven international and domestic terrain and the link between the two. Because the domestic process of policy formulation is not free of conflict whatever policy influence from the WTO have an effect on the domestic context (Ancharaz 2006, JEC 2008a and Interviews 09/08/2010). For example the lowering of tariffs due to the requirements of trade liberalisation exposes local producers to foreign competition as well as reducing government revenue and the depreciation of local currency is good news for the exporters but bad news for consumers. The existence of such conflict brings in the importance of the state in resolving the conflict. For example the above mentioned conflicts in Mauritius were dealt with through widening the revenue base and maintaining protection on sensitive products. As was the case in 1998 when Mauritius introduced a value added tax aimed at eliminating undue reliance by the government budget on revenue from import tax (IMF 1999). This was partly due to major changes in the tariff structure that gave rise to budget deficit making it important for Mauritius to undertake domestic policy reforms in sales tax that go hand in hand with tariff reforms especially in terms of maintaining revenue. The liberalisation was thus accompanied by the abolition of sales tax and the introduction of value added tax that increased tax revenue. At the same time the government protected the tariffs on major revenue generating items (IMF 1999, Ancharaz 2006). To this end Mauritius gives a good example of the right policy mix, timing and sequencing of its trade liberalisation as mediated with multilateral trade liberalisation. It also enhances our understanding or conceptualisation

\[191\] Interview with a Mauritian delegate to the WTO.
of the Mauritian state “deliberative and consultative” as argued in chapter 4. However, this success can be seen to be contingent rather than of the inevitability of trade liberalisation.

Our understanding of the Mauritian state is further enhanced by the way the state allows government and business to work together to mediation with international trade and investment decisions – an idea that can be traced to pre-independence when the government and Chamber of Agriculture worked together on issues regarding the export of sugar. Such cooperation between government and private sector ‘shaped subsequent state-society relations and contributed to the country’s unusual ability to influence the rules of global trade, and to construct networks of economic advantage” (Brautigam 2005: 69). As an MCCI official puts it, such partnerships at the time of making “crucial decisions” on the Sugar Protocol negotiations was “a defining moment of the economic history of post independence Mauritius” (Servansingh 2004). The relationship has created synergies between government and private sector that has “led to better informed decision-making” (Boolell 2010). Boolell goes further to say that the democratisation of the Mauritian economy can only be achieved by an exchange of ideas and views across the broad spectrum of society (2010) (see chapter 3 and 4). Indeed it is through the public, private sectors, civil society, NGOs and Trade Unions forum that a roadmap for Mauritian trade negotiations was adopted in 2009 and is now under implementation. The roadmap defined Mauritian positions in the different negotiations in which Mauritius is involved and led to the creation of the necessary legal frameworks for trade and investment flows (MCCI 2010, Boolell 2010) (see chapter 4). Thus Mauritius gives us an example of a deliberative and consultative developmental state in Africa that is strategically selective in terms of policy making. It also gives us an example of how discursive selectivity informs policy making in Mauritius.
The deliberative and consultative developmental state has helped allay fears on the idea that countries are relegated to a marginal role by forces outside their control (see chapter 2) as this did not seem to work in the case of Mauritius. This, according to Brautigam (2005) is because of strategic economic planning by the state and the working together of government and business to shape the way Mauritius “engages with the global economy.” The “strategic engagement” Brautigam explains involved joint missions to attract and recruit FDI, active promotion of Mauritian business within an enlarged regional platform, and an effort to “shape the rules of global trade in multilateral forums.” Thus for Brautigam, “without wasting resources, the government’s diplomatic, economic and political weight is tightly focused on constructing external advantages for the island” (2005: 64). As a result besides Mauritius remaining vulnerable to global developments the authorities in Mauritius have a track record of strong policy responses to external shocks (Imam and Kohler 2010). For example the Ministry of Foreign Affairs, Regional Integration and International Trade has over the years explored all avenues to promote and protect Mauritian strategic interest with Minister Cuttaree noting that the Mauritian “economic diplomacy” continuing to “remain a vital arrow” in the country’s “diplomatic quiver” (Ministry of Foreign Affairs, Regional Integration and International Trade (2005a, 2005b). Indeed one of the Ministry’s strategic focuses is to “create better opportunities from trade and investment” Ministry of Foreign Affairs, Regional Integration and International Trade 2011).

Because of the ownership of ideas arising from local participation in discursive strategy it means that involvement of outside ideas cannot entirely replace the local ownership of ideas. As discussed in this chapter, outsiders do have a role in influencing local ideas and assist in the provision of resources and knowledge. The ability to engage and mediate with endogenous ideas makes an interesting story about the role of local capabilities in the whole matrix of the development trajectories of Mauritius. Indeed Rodrik (2008) argues for the need
to recognize the “contextual nature of policy solutions” and experimental\textsuperscript{192} to development rather than rely on trying to adopt exogenous policy paradigms that are assumed to provide the correct recipe.\textsuperscript{193} But the conceptualisation of policies cannot be adequate without taking into account ideas, interests and material needs of the social, political and economic context in which they are situated. Thus “imported blueprints need to be filtered through local experience and deliberation” (Rodrik 2001b). This has led to Mauritius finding its own way to economic development because of its ability to devise a strategy that was “unorthodox yet effective” (Ibid.).

Such an approach by Mauritius gives us an example for the need for other African countries to adopt “dynamic” trade policies and eradicate “domestic bottlenecks” to be able to benefit from trade opportunities at the multilateral level – a view also expressed by Hoekman (2002) and Kabbaj (2004). Indeed interviews with a number of African negotiators, policy-makers, academics and trade experts show that African countries try and mediate with global trade liberalisation policies to help in the development of their political economies within the international political economy. For example the delegate from Namibia observes that the “domestic and foreign policy must be geared towards exploiting benefits from the WTO” (Response 30/07/2010).\textsuperscript{194} A view supported by a WTO official that African states have to face WTO constraints and “mediate with them” and that the WTO cannot bring results but it is up to countries to ‘mediate within the WTO rules to their advantage’ (Interview 13/08/2010).\textsuperscript{195}

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\textsuperscript{192} The experimental according to Rodrik (2008) means “innovating through implementation first, and drafting universal laws and regulations later.”

\textsuperscript{193} Rodrik (2008) argues that both the import substitution and Washington Consensus policies are presumptive rather than diagnostic and thus do not offer context – specific dialogistic work. Diagnostic in terms of determining what works and what does not, identifying bottlenecks and constraints.

\textsuperscript{194} Response from a Namibian delegate to the WTO.

\textsuperscript{195} Interview with a WTO Secretariat Official.
\end{flushleft}
7.8 Conclusion

What emerges from this chapter is that the success of Mauritius’ development story has partly to do with the way Mauritian ideas are engaged and mediated with the broader paradigm of trade liberalisation in determining trade policy, negotiating strategies and development strategies. I have tried to argue that, although Mauritius experiences policy restrictions in the WTO, Mauritius has tried to come up with well thought out strategies to address the needs of the economy and to continue to move to higher growth trajectory. I have tried to show how Mauritian actors behave in trade policy-making as they are informed by WTO ideas of trade liberalisation. I have also tried to show that trade policy change in Mauritius is influenced by the mediation of broader global policy paradigms by the Mauritian contexts for the purposes of pushing for the development of the political economy of Mauritius within the international political economy, in accordance with the wider societal interest. This, I have tried to argue, has led to Mauritius trying to exercise choice in its mediation with global policy paradigms because of the need to satisfy the economic needs/material of Mauritians.

However, the choices under the WTO are limited because trade liberalisation under the WTO delimits a range of feasible policy options as well as cognitive template through which Mauritian actors involved in trade policymaking understand the multilateral trading system. If this is the case then Mauritius cannot be seen to be marginalised. Instead the mediation with internationalised ideas by Mauritius has helped the country to shift from being relegated to a marginal role by forces outside its control, but instead promoted the economic success of the Island. I have also tried to show the influence of trade liberalisation ideas under the WTO on Mauritian trade policy which has led to a fusion of these ideas together with Mauritian ideas in shaping the future trade prospects of Mauritius and its activities in the WTO and the multilateral trading system. As a result our examination of the engagement of Mauritius in the WTO and indeed in the international political economy must not only focus on the role of
actors in their relationship with the context they are situated but the relevance of ideas that informs such engagement in as far as they influence the actors in their interpretation of the contest in which they act.

As such the influence of the trade liberalisation paradigm on Mauritian trade policy-making cannot be separated from the development of the political economy of Mauritius within the international political economy, in accordance with the wider societal interest and the wellbeing of Mauritians. This, I have tried to argue, is in a way contributing to Mauritius moving towards the model of a “competition state”\textsuperscript{196} but at the same time maintains considerable room for domestic ideas and manoeuvre in economic, political and social terms under a constraining international economic environment.\textsuperscript{197}


\textsuperscript{197} The 	extit{Lexpress} 14\textsuperscript{th} April 2003 puts it across that the way forward for Mauritius as it faces its fourth crisis is competitive advantage moving from resource-based competitive advantage to developing a “positioning competitive advantage” which entails shifting expectations from international negotiations from market access (trade issues) to capacity building (developmental issues). But Mauritius is trying to do both. This is true in respect of Mauritius trying to build its supply side capacity in order to take advantage of the up of markets.
8. CONCLUSIONS

In this thesis I set out to contribute to the growing debate on the increased participation and engagement of African countries in the international political economy through examining the co-operation and activism of Mauritius in the WTO. This increased engagement, I have tried to argue, in the example of Mauritius, is because of the changing international political economy and the ability by Mauritius to adjust and adapt to these changes, as driven by changing domestic political and socio-economic contexts. This is so because of the realisation by Mauritian actors to try and push for the development of the political economy of Mauritius within the international political economy, in accordance (to a degree) with the wider societal interest (whether intended or unintended). I have also attempted to use the Strategic-Relational Approach (SRA) to interrogate the marginalisation and engagement approaches in their explanation of Africa’s position in the international political economy by using empirical analysis from Mauritius to try and highlight their interrelated structural and agential dimensions. At the same time I have presented an argument for the use SRA as an alternative way of explaining domestic policy-making processes and engagement in the international political economy. Using the SRA I have attempted to provide a political economy analysis of trade policy-making and change in Mauritius as a basis for engagement in the multilateral trade negotiations. This, I have argued helps us to better understand the engagement of Mauritians in the WTO as we take into consideration domestic political processes in determining trade policy. Relying on the SRA I tried to expose the importance of (policy-makers, negotiators, political elites, diplomats, civil society representatives and business representatives) in relationship with both the domestic and international contexts – contexts characterised by uneven terrain that “select for” certain kinds of strategy and agents over others. Using trade policy as an example, I have claimed that these Mauritian actors play a central role which influences the course of events in trade policy formation and Mauritian activism and co-operation in the WTO albeit constraining environments.
The above approach has therefore allowed me a philosophically sound, theoretically informed and empirically based account of the processes of social, economic and political change in Mauritius that forms the bases of Mauritius’ activities in the international political economy, specifically in the WTO. This has helped in my attempt to produce a balanced perspective that creates an intellectual space for the inclusion of interests, material and ideas for domestic social transformation and engagement of Mauritius in the international political economy. This has been lacking in the pre-existing literature on Mauritius and indeed African engagement in the international political economy. My adopted SRA approach has allowed me to try and conceptualise Mauritius in the international political economy beyond the constraints of the frameworks of the pre-existing literature. In this instance my approach to understand the involvement of African countries in the international political economy using the Mauritian example differs from the conventional wisdom that explain such involvement it in terms of colonial heritage, structural conditions or incompetent leadership. This is because the SRA does not only simply state and describe the status quo on the contemporary international political economic order. Instead it allows the examination of the activities of a number of actors as dialectical with both the domestic and international contexts in which they find themselves. Indeed as I argued in the thesis social change in Mauritius can be fully explained when we examine the relationship between human beings and the social, economic and political contexts in which they are situated. Thus I have tried to show the usefulness of the SRA in the analysis of Mauritian policy-making and engagement in the international political economy. I strongly think that the Mauritian case justifies the use of SRA as an alternative approach for examining contemporary African policy-making and engagement in the international political economy outside pre-existing approaches. This is because SRA allows us to bridge the gap between the marginalisation and the engagement approaches by highlight their interrelated structural and agential dimensions, making it an important lens for
explaining domestic policy-making processes, engagement in the international political economy and the relationship between the two processes.

Using the SRA and giving trade policy making in Mauritius as an example, I have tried to show how trade policy is formulated (by a number of actor) in Mauritius with the intention of promoting the development of the political economy of Mauritius within the international political economy, in accordance (to a degree) with the wider societal interest (whether intended or unintended). This in a way represents a shift away from the generalised account of African leaders acting in a self-interested manner. Instead we can observe the state structural constraints that make some political leaders act to improve the livelihoods of fellow countryman due to limitations placed on them by the process of deliberation and interaction with other societal actors. These limitations result in the elites not have control of the state as there are a number of actors involved in policy making and decisions on the strategy used in policy-making.

Bearing the above in mind I have tried to show that in Mauritius because trade policy-making is through deliberation and consultation, it does not necessarily reflect the interests of the political leaders or managers of the state, (even when they appear to be the dominant actors) but takes into account the interests of the other stake holders. Because these stakeholders act on an uneven terrain there is a tendency for collaboration by the stakeholders in advancing their trade interests. As they do this, they unintentionally or intentionally take the concerns of other citizens as shown by improvements in the living standards of the people. At the same time it is clear in the medium and long-term that the success and failure of trade policy formulation and engagement depends on widening the consultative process at the domestic level to include disadvantaged groups in an attempt to eliminate inequality and social exclusion. The strength of the above arguments lies in providing us not only with an
alternative way of explaining the economic success of Mauritius but in providing us with an
alternative way of looking at the state and the development of political economies in Africa
contrary to the state being viewed as synonymous with state managers. Instead we are able to
identify a particular state for the purposes of a particular analysis.

My attempt to conceptualise the WTO using the SRA has shown that the WTO presents an
uneven negotiating terrain in which Mauritian and other African diplomats and negotiators
find themselves. The environment has favoured Mauritian and other African diplomats and
negotiators less than other actors due to asymmetry/constraints. This has led Mauritian and
other African diplomats to consciously form coalitions as a strategy for trying to level the
negotiating terrain through enhancing their political power and strengthening their negotiating
capacities. Coalitions become a strategy which Mauritian negotiators and diplomats
consciously opt for in an attempt to have positive negotiation outcomes intended to help in the
development of the Mauritian political economy within the international political economy.
However, as Mauritian negotiators and diplomats use the coalition strategy, they tend to adopt
a balancing act as well as assume an intermediate role. Nevertheless besides seemingly
empowering Mauritian negotiators, altering the power configurations in the WTO and
bringing about impasse in the negotiations, coalitions have not delivered in terms of positive
negotiation outcomes that help in the development of the political economy of Mauritius with
negotiating outcomes remaining in favour of developed countries. This is largely due to the
failure to translate gained political power into real and meaningful negotiating outcomes.

This failure, I have tried to argue is partly due to weak human negotiating capacities within
these coalitions which is a result of constraints from both the state and the WTO. As a result
there is need to further strengthen the negotiating capacities of these coalitions as exemplified
by Mauritius activities in the Africa Group and the ACP Group. Such Mauritian activities
helped to explain how Mauritian negotiators are able to exert influence, or try and affect the outcome of WTO processes or events in some way despite their weak capacities. Having put Mauritius at the nexus of the WTO trade liberalisation debate I have attempted to show that Mauritian diplomats and negotiators are not marginalised in the dynamics of WTO negotiations and trade liberalisation but engaging with the WTO and other actors albeit on an uneven terrain. More so Mauritian diplomats and negotiators can influence the WTO negotiating terrain because of their ability to adopt strategies that enable them to redefine the WTO institutional structure and affect what is socially, politically and economically possible for other actors. As such Mauritius can impact global trade governance even under conditions which are not of its choosing. Thus as I sought to demonstrate how Mauritian diplomats and negotiators influence the WTO negotiating process, I have attempted to show a consistent effort by these diplomats and negotiators to contribute to WTO trade liberalisation through coalitions. This raises a number of questions about the marginalisation and the engagement discourse in terms of their approaches in examining the role of African countries in the international political economy and indeed in international organisations/institutions meant to govern the global economy. However, despite the contributions made by Mauritius in trying to strengthen the Africa Group and the ACP Group in redefining the negotiating terrain, the groups remain loose, weak, and fragile and riddled with mistrust because of the dependence on human beings and therefore less effective in exerting much influence capable of turning the negotiations in favour of African and ACP countries. This I have argued should not be seen as marginalisation; rather it should be viewed as failure by the Africa Group and the ACP Group to translate their gained political power into meaningful negotiating outcomes that help in the development of members’ political economies.

This thesis has also tried to explain how the content of trade liberalisation significantly affects trade policy-making in Mauritius and engagement in the WTO. To this end I have attempted
to make a contribution to the examination of the relationship between domestic policy changes and global policy changes. There has been a gap in the study and analysis of this link in the case of African countries with much emphasis placed on the role of the international structure and the ruling elite. Yet as shown in my thesis trade relations between developed and developing countries change in response to national policies and international measures. My study therefore has attempted to contribute to the filling of this gap through examining the relationship between Mauritian trade policy-making and the dominant international trade policy regime. It is precisely for this reason that I attempted to show that trade liberalisation in Mauritius has been seen as a related developmental logic unfolding over time - emerging because of major changes in the structures of global interactions associated with major transformation in the international political economy. Under such circumstances Mauritian actors have routinely appealed to the structured nature of their behaviour, their experience and the context in which they find themselves in trade policy-making irrespective that the benefits of such liberalisation are contested or not i.e. “logic of inevitability”.

To this end I have tried to demonstrate that Mauritius actors act consistently with trade liberalisation in fear of the consequences of not doing so on its economy. Thus the ideas Mauritius actors hold about the context in which they find themselves play an important role in determining their course of action. This is because they lack adequate information and end up interpreting the world in which they find themselves in order to fit themselves strategically towards it. This interpretation as I argue cannot be divorced from the WTO trade liberalisation ideas to which Mauritian actors are socialised through participation and the provision of trade related technical assistance. At the same time they try to be selective in their policy choices – choosing policies that allow the push for the development of the political economy of Mauritius in accordance with the wider societal interests.
Thus as I sought to use the SRA I tried to show that its usefulness lies in its ability to allow me to be able to gather further insight about Mauritian trade policy-making/change and its relationship with the domestic context and the international context. This, as I have tried to argue is an attempt to try and push for the development of the political economy of Mauritius within the international political economy, in accordance (to a degree) with the wider societal interests (whether intended or unintended). I believe my approach has in a way allowed me to give an illustration of why and how Mauritius engages in the international political economy the way it does. I hope such an illustration will be a useful example making a sound contribution to an alternative way of reconceptualising African states; explain why and how some African leaders might have greater influence on trade policy-making than others as they act in their different social, economic and political context; reconceptualise the WTO institution and explain how it is an uneven terrain that constrains African negotiators’ activities leading to negotiators contributing to the strengthening of coalitions; explain the role of ideas in the development trajectories of African countries; and explain how global ideas are mediated by different African social, economic and political contexts in which they are situated.

Accordingly, this thesis must be viewed as a mere preliminary exercise, where the use of SRA gains in strength in explaining policy-making and the engagement of African states in the international political economy. I believe this opens avenues for the further application of the SRA to other African states. However, I do not suggest we overlook other approaches and neither do I overlook the contributions of those who would challenge the importance of explaining the position of African countries in the international political economy using SRA. But further research can be carried out for different African countries to determine and establish the role of political elites in policy-making and engagement in the international political economy. I think the SRA would be of great utility as it allows us to examine
different states individually. Comparative studies can also be carried out using the SRA to compare different African countries rather than generalising as the case with much of the pre-existing literature. I believe such studies will make considerable contribution to our understanding about domestic processes of policy-making and policy change in African countries and their engagement in the international political economy.
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