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Enabling poor rural people to overcome poverty in **Mauritius**

Rural poverty in Mauritius

In the context of the African continent, the island nation of Mauritius stands out as a social, economic and development success story. Over the decades since independence in 1968, it has become a middle-income country with a stable governance system in place, a well-functioning infrastructure, and good communications, health and education systems. Living standards have improved dramatically across much of the country.

Although severe poverty is rare in Mauritius compared to other parts of Africa, the country contains a minority of very poor households, most of which are located in rural areas. In the wake of the country's exposure to increased global competition – and a consequent decline in production of sugar and textiles for export – rural poverty is on the rise. Unemployment is increasing, and those who are already disadvantaged are sinking into deeper poverty.

Overall, an estimated 8.7 per cent of Mauritians live in poverty, with a higher incidence in urban centres (12.4 per cent) than rural areas (8 per cent). In 2010, the rate of extreme poverty was below 2 per cent.

The distinction between rural and urban households is not always clear-cut, however. On the main island of Mauritius, population density is high, and farms and



textile factories are scattered over the countryside. Aside from the people residing in the area of Port Louis, the capital, most of the population lives in villages. These Mauritians are engaged in part-time farming but also work in the manufacturing or service sectors. Thus, most rural households are not fully dependent on agriculture. In a typical family, the father and sons cultivate sugar or work on a sugar plantation, while the mother and daughters work in a textile factory.

Coastal communities on the islands are isolated from the main industries and tend to rely heavily on lagoon fishing for subsistence and cash income. The decline in the lagoon catch is a serious problem for the many communities that rely on marine resources for their livelihoods.

With the changing economic situation, there is a widening income gap between households that are engaged in the expanding sectors of the economy and those that are unable to do so for various reasons. Poor rural people are forced to fall back on farming and fishing. But environmental deterioration and declining yields are making it increasingly difficult to earn a living from agriculture.

There are pockets of poverty in the northern and eastern parts of the island of Mauritius. As unemployment rises, other areas on the main island are also seeing an increase in poverty. The households that are most vulnerable to poverty are those that:

- Depend on sugar production and processing, or employment in textile factories
- Are landless or have only small plots of land
- Have low levels of education and are poorly equipped to adapt to an economy that is undergoing modernization.

In addition, women – especially poorly educated rural women – are severely affected by increasing unemployment. Households headed by single women are particularly vulnerable to poverty and are at greater risk of social exclusion.

Mauritius also incorporates the island of Rodrigues, which is substantially poorer than the main island. About 40 per cent of the population of Rodrigues lives below the poverty level. The island has no sugar cultivation and little export manufacturing or tourism. The few existing small-scale industries mainly supply the local market. Except in the main town, Port Mathurin, most households are rural. For food and income, they depend on subsistence agriculture, livestock-rearing, small-scale fishing and microenterprises.

People in Rodrigues earn 30 to 50 per cent less than the average national per capita income, and the average landholding is less than 1 hectare. School dropout and unemployment rates are high.

Eradicating rural poverty in Mauritius

Many rural households in Mauritius are feeling the impact of the so-called triple trade shock on the country's economy, as losses in trade preferences for textiles and sugar, combined with rising oil prices, undermine the country's export economy. In response, the government has begun to implement a series of reforms with the aim of redirecting and rebuilding the economy for renewed and sustainable growth.

The challenges are to increase global competitiveness, lower unemployment rates and foster broader social development while preserving and protecting the environment. These objectives are addressed in the government's New Economic Agenda, first implemented in 2003.

The government's National Action Plan for Poverty Alleviation gives priority to the democratization of economic growth. In order to lift vulnerable communities out of poverty in a sustainable manner, it establishes pro-poor policies and planning in the sectors of the economy touched by the reforms, and focuses on diversifying the economy to achieve strong and sustained growth.

Other strategic measures under the action plan include strengthening the education system (in particular, supporting vocational training in new skills for former textile and sugar cane workers), attracting foreign investment and stimulating the development of tourism.

The strategy also aims to reduce poverty by providing regional financial services and targeted investment, including support for microenterprises and microfinance institutions.

IFAD's strategy in Mauritius

Mauritius became an IFAD Member State in 1979. Since then, IFAD has supported three projects and programmes for a total commitment of US\$23.1 million.

IFAD and the Government of Mauritius are moving towards a new form of partnership that differs from the standard model for low-income countries, which was followed in Mauritius until 2005. IFAD recognizes that the country now has sufficient national resources to address rural poverty, so the focus of interventions has shifted from financing projects towards developing a collaborative approach with the government to reduce the incidence of poverty. This approach includes policy dialogue, knowledge management and sharing, and partnership-building.

IFAD is helping Mauritius introduce pro-poor policies and reforms to protect disadvantaged members of society – and to mitigate the effects of the economic upheavals the country has experienced after the loss of preferential trade agreements for textiles and sugar, and an increase in transport costs.

At the same time, IFAD is working with the government to address complex policy dilemmas involving both environmental conservation and marine resource management, and issues of livelihoods, development and social welfare.

IFAD-financed interventions in Mauritius support:

- Sustainable management of marine resources
- Implementation of the country's strategic plan for the non-sugar sector
- Technical and vocational training to improve the employment prospects of poor rural people.

Through careful selection of products and development of market linkages to ensure that new ventures remain viable, IFAD is helping Mauritius diversify its economy and move away from a nearly exclusive emphasis on sugar cane production. IFAD gives special attention to improving livelihoods and incomes for poor rural households on Rodrigues Island.

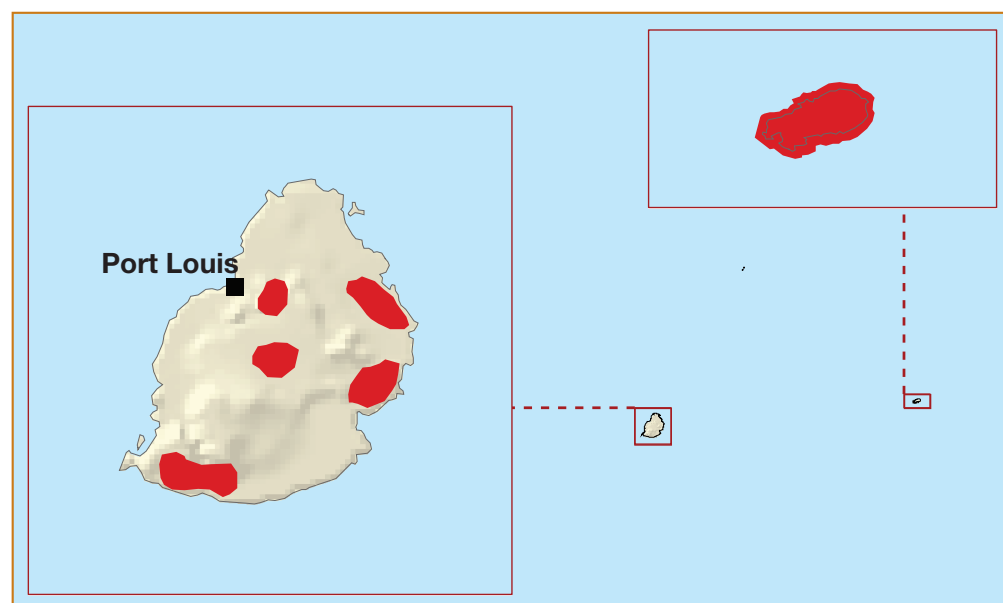
Programmes and projects: 3

Total cost: US\$39.8 million

IFAD financing: US\$23.1 million

Directly benefiting: 20,330 households

Ongoing operation



Marine and Agricultural Resources Support (MARS) Programme

Total cost: US\$14.9 million

IFAD loan: US\$5.6 million

IFAD grant: US\$403,000

Cofinancing: Australia (US\$0.4 million); Global Environmental Facility (US\$0.7 million)

Duration: 2009-2015

Directly benefiting: 3,120 households

This programme is designed to improve the livelihoods of the most vulnerable households in Mauritius, particularly those dependent on marine resources, sugar cane production and employment in the textiles industry. Its target groups are:

- Small-scale fishing communities on both Mauritius and Rodrigues Islands, including women who fish for octopus on Rodrigues
- Unemployed textile workers
- Small-scale sugar cane farmers and labourers
- Households affected by natural disasters or epidemics.

The programme supports the government's reform agenda by demonstrating improved practices in development implementation. It introduces sustainable marine resource management and helps poor households in coastal communities establish profitable enterprises that do not put the resource base at risk.

In addition, the programme investigates and develops alternative activities, such as small-scale aquaculture of octopus and varieties of lobster, crab and clam, and small-scale seaweed production. Producers are being trained to ensure that these high-value marine products meet the standards of the luxury hotels on the islands.

Finally, the programme works to improve farm productivity and diversify rural livelihoods by helping poor rural people establish profitable non-farm enterprises and acquire skills to gain employment in other areas.

Completed operations

Rural Diversification Programme

Total cost: US\$16.6 million

Approved IFAD loan: US\$11.1 million

Duration: 2000 - 2010

Directly benefiting: 15,180 households

Small-Scale Agricultural Development Project

Total cost: US\$8.3 million

IFAD loan: US\$6.0 million

Duration: 1983 - 1991

Directly benefiting: 2,030 households

Building a poverty-free world

The International Fund for Agricultural Development (IFAD) works with poor rural people to enable them to grow and sell more food, increase their incomes and determine the direction of their own lives. Since 1978, IFAD has invested about US\$14.8 billion in grants and low-interest loans to developing countries through projects empowering over 400 million people to break out of poverty, thereby helping to create vibrant rural communities. IFAD is an international financial institution and a specialized UN agency based in Rome – the United Nations' food and agriculture hub. It is a unique partnership of 172 members from the Organization of the Petroleum Exporting Countries (OPEC), other developing countries and the Organisation for Economic Co-operation and Development (OECD).

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For further information on rural poverty in Seychelles, visit the Rural Poverty Portal:
<http://www.ruralpovertyportal.org>



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