5. Land, Textiles and Tourists

Franco-Mauritian Maintenance of Economic Power in a Diversifying Economy

After Franco-Mauritian political power was made ineffective, the Franco-Mauritians devoted themselves to their economic interests in order to achieve continuity of their elite position. Strategically this appeared to be a wise move because in a democratic society economic power is less subject to the moods of the electorate: political power can be lost overnight, while the expropriation of economic possessions is not a foregone conclusion. This, however, is not to imply that economic power is infinite. In this chapter, Franco-Mauritian efforts to maintain and safeguard their economic interests and how, in the process, they also reinforced their (economic) power will be discussed. I will analyse how (in)formal business networks involving both those Franco-Mauritians in command and those coming under orders together granted virtually the whole community an elite position. I will explain the role of counter-elites, emancipating masses and global processes in the economic domain and also how Franco-Mauritians have, sometimes with and sometimes without success, confronted (potential) challenges to their position.

5.1 Economic Power

More than twenty-five years after the Franco-Mauritian businessmen chose to safeguard their economic interests by relinquishing high profile public opinion and political involvement they are still a dominant player in the private sector. Franco-Mauritians seem to have relatively successfully consolidated their economic power. Especially in big business, Franco-Mauritians have a strong presence: Table 5.1 shows that they constitute the majority in the boards of slightly over one-third of the top one hundred companies in 2007 (see for a full list Appendix 1) of which five are the top ten companies (Business 2007).\(^{42}\)

<table>
<thead>
<tr>
<th>Franco-Mauritians in the board</th>
<th>Number of companies</th>
</tr>
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<tbody>
<tr>
<td>&gt;80%</td>
<td>24</td>
</tr>
<tr>
<td>&gt;50%</td>
<td>9</td>
</tr>
<tr>
<td>&gt;20%</td>
<td>10</td>
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<tr>
<td>None</td>
<td>52</td>
</tr>
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Table 5.1: number of Top 100 companies with more than 80%, more than 50%, more than 20% and none Franco-Mauritians in the board of directors.

\(^{42}\) Only one company out of the top ten, the third, is directly related to another ethnic community. The first and the ninth are semi-government companies and, owing to high global oil prices, two are multinational oil companies, these being the fourth and the tenth. See for a full list and percentages of Franco-Mauritians Appendix 1.
Of the top one hundred companies only a limited number are listed at the Mauritian stock
exchange. Many Mauritian companies are family businesses, and even a number of the listed
companies are controlled by family holding companies, a fact which influences the state of the
economy, according to a joined IMF-World bank report:

[the Mauritius economy faces certain economic challenges to promoting good corporate
governance. The ownership structure of Mauritius companies is dominated by a small
group of family-owned companies. Many family-owned companies listed their stock in
response to tax and other incentives provided by the Mauritius government. Despite the
stock market listings, many of the listed companies are still controlled by a family holding
company or a partnership acting as the holding company. These holding companies often
control a range of diverse enterprises and typically own vast landholdings that have failed
to produce satisfactory earnings (World Bank 2002: 1).

Table 5.1 shows that the majority of top one hundred companies have no Franco-Mauritians on
their board of directors (or management) and from 680 board members and CEOs or directors
about 260 are Franco-Mauritians. To a large extent, the board of directors and management of
the companies are also the proprietors of the companies they represent or are related to the
proprietors (and in the case of the semi-government companies to the government).

When looking at interlocking directorates, the Franco-Mauritian grip on the private sector
seems to be even stronger than it might appear at first glance. Of 66 Mauritians that had two or
more seats on board of directors 43 were Franco-Mauritians. This is an indication of higher elite
cohesion, because when the boards of directors are linked to each other by people holding
directorships on several of these boards, interests are more likely to be identical: ‘When the
interlocking directors also share a common social background it is even more likely that they
share the same norms and values’ (Heemskerk and Fennema 2009: 810). Graph 5.2 shows the
top one hundred companies connected to each other through interlocking directorates – sixty-
two companies out of a hundred with only six of these not being directly connected to the grid.
The circles inside the bold box nodes – thirty-seven in total – are the companies that have a
substantial degree of Franco-Mauritian control, i.e. more than fifty percent Franco-Mauritians on
their board of directors or joint-ventures with foreign companies (as this last category assumes
that Franco-Mauritians are the only Mauritians involved).

44 The list is not extensive as the Top 100 publication refers to a variety of different management and board
structures which made it sometimes difficult to assess the number of board members. The listed companies have a
one-tier board system with both executive as non-executive board members. In practice, however, there is variety
among the top one hundred companies as many are not listed.
That Franco-Mauritians controlled about one third of the top one hundred companies in 2007 implies that many companies are owned and controlled by businessmen from other backgrounds. Although there is no comparative data set for 1968, it is safe to assume that since then there has been a substantial increase of non-Franco-Mauritian input into the private sector. The contemporary Mauritian economy has a larger variety of players, a more diverse portfolio and relies less on the sugar industry than at the time of Mauritian independence in 1968. Criticism of ‘Franco-Mauritian capitalists who control everything’ seems not to be valid anymore, although the interlocking directorates suggest that Franco-Mauritians are still well-connected. Nowadays, a much larger number of Mauritians are advantaged by the island’s economic wealth: income inequality has diminished since independence and real income has more than doubled in the last twenty years (Sandbrook 2007: 126, 127).

Thus, on the one hand, Franco-Mauritians have been able to maintain a strong grip on the private sector. Certain economic sectors are almost completely controlled by Franco-Mauritians and others have a dominant Franco-Mauritian input. There is, as will be shown further on, (relatively speaking) close co-operation among Franco-Mauritians – they are often

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46 The Gini-coefficient declined from 0.5 in 1962 to 0.42 in 1975 to 0.39 in 1996/97 (World Bank report no. 23904 mas) and for as far as could be gathered was still estimated at 0.39 in 2006 (CIA factbook).
perceived as a united block that knows how to defend its interests collectively. Furthermore, the economic power of a limited number of Franco-Mauritians has a positive effect on the whole community. On the other hand, as illustrated in Graph 5.2, Franco-Mauritians are connected to other Mauritian businesses. These are not altogether separate worlds now. And besides, Franco-Mauritian businesses have always employed non-Franco-Mauritians. In the past they employed them mainly as labourers and lower-ranking staff but nowadays they also increasingly employ them in positions formerly reserved for Franco-Mauritians. The consolidation of Franco-Mauritian economic power and the elite position related to this, therefore, need to be understood in all their aspects, to begin with land.

Land

‘Without [control of the] land there would be no Franco-Mauritians, because the land is the wealth they rely on’, remarked a foreign businessmen with a long service in the Mauritian private sector. The quote demonstrates the strong relationship between the Franco-Mauritians’ economic position and the land the community’s ancestors received during the colonial period. To understand Franco-Mauritian economic power is, therefore, to understand the practice of retaining land within the hands of the Franco-Mauritian community. Land was often sold between Franco-Mauritian families, however, as there hardly seem to be any continuous lines of families that have been able to pass on land from the first concession holders to the present generation. The exceptions are two small concessions in the southeast that have belonged to the same family since 1770 (Boudet 2004: 55) – as the Hindu-controlled estate that was the scene of the 1937 riots showed, small numbers of estates and their lands have also been in the hands of non-white Mauritians for a long time.

A more common sequence of landownership is the following. The ancestor of one of Mauritius’ most economically powerful families, the Franco-Mauritian Gougeard, received a concession for a plot of land some years after he had arrived on the island in 1760. His grandchildren, however, sold the land that he and his sons had acquired. Some of the descendants remained active in the sugar industry as employees but the family has only one direct line of large land ownership from 1912 onwards. In that year, the great-grandfather of Guillaume Gougeard, the present CEO of the family holding, bought his own small sugar estate.

47 Unfortunately there is no comparative data set on the number of employees, because, as has rightly been argued, this can have political and social implications which only turnover (the category along which the top one hundred companies are listed) does not necessarily have. It is, however, likely to assume that the large (Franco-)Mauritians business conglomerates employ many Mauritians and traditionally the sugar estates also employed large numbers of labourers which partly contributes to the fact that this industry is highly politicised.

48 Interview: Mauritius, 21 March 2006.
Obviously, the colonial structure facilitated the consolidation of landed property within the confines of the white community since the Franco-Mauritians had few economic competitors in this respect. Yet, they have largely managed to keep this land within the community since 1968 as well – in general, Franco-Mauritians still remain associated with land-ownership. How much of the island’s land they actually possess is difficult to establish. A general estimation suggests that Franco-Mauritians own approximately 36 percent of the total available land (*L'Express Dimanche*, 13 May 2007; *L'Express*, 31 May 2007),\(^{49}\) while only about 10 percent of the island’s land is state-owned (*L'Express*, 31 May 2007). Another portion of the total land is made up of small plots of residential land: *L'Express* has estimated that about 90 percent of Mauritians own the small plot of land that their house is built on (*L'Express Dimanche*, 13 May 2007). About 46 percent of the island’s surface area is covered with agricultural land,\(^ {50}\) of which the Franco-Mauritians have a large stake.

In 2006, of all the agricultural land, 66,732 hectares were under sugarcane cultivation and only 8,182 hectares were used for other crops – a ratio of 89 to 11 percent.\(^ {51}\) Of the land under sugar cultivation, 68 percent is owned by the large sugar estates which, according *L'Express*, are controlled by about ten to twenty Franco-Mauritian families. These estates’ landed property, moreover, also include woodlands, mountains etc. (*L'Express Dimanche*, 13 and 31 May 2007).\(^ {52}\) The remaining 32 percent of agricultural land is predominantly owned by small cane growers – the majority of them of Indian descent – whose ancestors acquired the land during the *Grand Morcellement*, as described in Chapter Three.

**Sugar**

Access to agricultural land meant access to the sugar industry and, consequently, Franco-Mauritians have been able to maintain their dominance in the sugar industry, the historical pillar of the Mauritian economy. The Franco-Mauritians produce the bulk of cane, control all the mills and are the dominant force in the Mauritius Sugar Syndicate which is responsible for the marketing of Mauritian sugar and for bringing together all Mauritian sugar producers. This control of the sugar industry by one single elite is not characteristic of all former colonies with a historical involvement in sugarcane production. In the Philippines, for example, the process of production from planting to milling and trading is divided among several groups, this creating

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\(^{49}\) The newspapers talk about hectares and ‘arpents’, an old French unit of measurement for land still widely used in Mauritius. The 36% is based on a total of 135,000 arpents owned by the large sugar estates out of a land total of 186,500 hectares – 1 arpent being approximately half a hectare.


\(^{52}\) Until 2001, a South African sugar company owned sugar estates on Mauritius as well.
clashing interests and the obstruction of moves to improve yields and milling efficiency (Billig 2003: 3, 49, 61, 117). In terms of competitors, Franco-Mauritians mainly have to deal with small planters and the state. As a consequence of the Franco-Mauritian domination of the sugar industry, the small planters, as in colonial times, have difficulties competing with the Franco-Mauritian estates. A challenge to Franco-Mauritian economic power, in this respect, is the fact that small planters tend to be backed by the government, however. For example, ‘[i]n 1972, the government agreed to raise taxes on sugar to support the MSIRI [Mauritian Sugar Industry Research Institute; a scientific institute, founded in 1953, meant to serve small planters and estates alike], but only on the sugar that the estates with factories and large planters produced. The government even took the opportunity to reduce the levy on small planters’ sugar production at the same time (Storey 1997: 173). Historically, the government’s involvement in the industry has been obvious: until the 1970s Mauritius relied on sugar for 99 percent of its export revenue (Hein 1996: 19). The close involvement of the government has barely changed, even since the sugar industry became just one of the island’s several economic pillars.

The government’s involvement partly has a negative effect on Franco-Mauritian economic power – this will be more fully illustrated in Chapter Eight. It tends to defend the small planters but also the interests of labourers employed by the estates. For example, in the ongoing restructuring of the sugar industry, the number of mills has steadily declined. When a mill closes down, the Franco-Mauritian owners are required to have a social programme – approved by the government – for their workers. This requirement is not always to the liking of the Franco-Mauritians: Adrien Guidamour, an important player in the sugar industry, said, ‘the sugar industry in Mauritius is not efficient because Mauritians have a low level of productivity. The workers, compared to other countries, operate some of the least hours of any in the field.’ He continued by stating, ‘the social laws in Mauritius are also very constraining, which makes restructuring a painstaking process.’ Of course, this is the perception of a proprietor within the industry. The remark should, furthermore, be seen in the light of Franco-Mauritians’ historical attachment to the industry – Franco-Mauritian identity, argues Boudet, is not only marked by their white skin-colour, the French language and ‘French’ culture, but also by their monopoly within the sugar industry (Boudet 2005: 24). One Franco-Mauritian argued that possessing a mill is a significant

53 In comparison, ‘[i]n the Philippines, planters tend to deny any personal blame for the poor conditions under which their workers suffer. Many cite “our culture” or “our ways of doing things” – forces beyond their own control – as the culprits, while others cite such intangibles as “seasonality,” the “shrinking size of the farms,” or “the population explosion of the farms.” Almost no one sees the least irony in the need for their organizations to sponsor livelihood projects.’ Consequently, Billig argues, ‘[t]he use of the “it’s our culture” explanation is the most interesting of all. In one sense, the planters are right. It is their culture, and they did not create it. On the other hand, the usage illustrates the static, even reactionary, implication of such a reified, post hoc, conception of culture. It is a usage that functions as an explanation and excuse for inaction’ (Billig 2003: 210, 211)

54 Interview: Mauritius, 4 February 2005.
status symbol among economically powerful Franco-Mauritian families\textsuperscript{55} – the possession of land seems to be equally important. In other (former) colonies, one can observe similarities to this situation. For example, in Martinique, where the sugar industry has substantially declined in economic importance, ‘the plantation past represents a kind of “golden age” for Békés [the island’s white elite]’ (Vogt 2005: 88), while in the Philippines the sugar elite is considered to be too attached to its inherited land as this has a negative impact on their economic potential (Billig 2003: 85).

At the same time, however, government involvement has also been a windfall for the Franco-Mauritians. There is close co-operation between the Franco-Mauritians and the government regarding the issue of access to the European market under advantageous conditions because the industry has been an important employer and revenue provider (Hein 1996: 23). The government has always been a strong negotiator in dealings with the European Commission (EC) for selling Mauritian sugar to the unified European market. Through the Sugar Protocol of the Lomé Convention(s) and the Cotonou Agreement, Mauritius (under the umbrella of the ACP (African, Caribbean and Pacific) countries) negotiated quotas and preferential prices for their sugar.\textsuperscript{56} These prices were well-above world market prices. Considering that Mauritius was the biggest beneficiary of these negotiations (Hein 1996: 23), the Franco-Mauritians, who firmly controlled the land and the mills, thus gained substantial profits. Besides, as will be shown further on, one positive feature of their situation was that in cases where a financial injection was required, the plantation owners could turn to other wealthy Franco-Mauritians for investment.

\textit{Banking and Trading}

Due to control over the sugar industry, Franco-Mauritians were able to extend their economic power beyond it, even as far back as the colonial period. They have, for example, been closely associated with the largest Mauritian bank, the Mauritius Commercial Bank (MCB), for some time. Originally this was not a Franco-Mauritian bank, as it was founded by a British trader in 1838 in answer to the Bank of Mauritius. This was a Franco-Mauritian bank, founded by Adrien d’Epinay in 1832, which stopped all its operations in 1848, due to a financial crisis in London. The MCB was affected by the crisis as well but managed to survive (Lagesse 1988: 3-43). As previously illustrated, however, Franco-Mauritians were then the dominant local elite and there were only a small handful of British residents. Over the course of time the expansion of their interests in the bank helped the Franco-Mauritians to secure a dominant position within the MCB – this kept pace with the decreasing input of British traders, in general, in the Mauritian economy.

\textsuperscript{55} Informal conversation: Mauritius, date unknown.

\textsuperscript{56} http://www.acpsugar.org/Sugar\%20Protocol.html [accessed: 7 December 2007]
A retired Franco-Mauritian businessman said, ‘some decades ago you could always find a job at the MCB as a Franco-Mauritian. It was the bank of the whites and even if you weren’t too smart you could get employed there.’ According to him, this has now changed: ‘average’ Franco-Mauritians are no longer automatically employed at the bank. Besides, all ranks within the bank up to senior management have become increasingly diversified since the 1980s onwards (Lagesse 1988). Nevertheless, Franco-Mauritians are still dominant at the top of the bank hierarchy: twelve out of the eighteen directors on the board of the MCB were Franco-Mauritian in 1988 (Lagesse 1988), and in 2007 the CEO, chairman, vice-chairman and a number of directors were still Franco-Mauritians (Business 2007: 206, 207). Hence, the perception that the bank is a Franco-Mauritian stronghold is both persistent and representative of the current reality.

**Merging Businesses**

As Mauritius has never been self-reliant, the island has always imported many of its necessities from Europe and other parts of the world. Trading firms were important on the island and these tended to be in the hands of British and the small number of Muslim families involved in trade, although some were also owned by Franco-Mauritians. Money from the sugar industry, however, also found its way into trading companies.

At the eve of independence one trading company – involved in, among other things, trading sugar and running its own merchant fleet – that had been founded by the British in the nineteenth century changed hands. The shareholders of company X thought that it would be advantageous for the company to become ‘Mauritianised’. They studied various options and then chose the simplest solution: a merger with another large company in Port Louis. Company Y was also originally a British-owned trading company but by this time the two main shareholders were two groups related to several large Franco-Mauritian owned sugar estates (Austral 2004: 242). The shareholders of company X, the largest of the two, were based in the UK and considered the Franco-Mauritians to be the best option. Besides, there were already ties between the two companies because the young Franco-Mauritian Jacques Gougeard, who belonged to one of the families involved in company Y, was already working with the British firm X. The departure of the British traders was thus to the advantage of the Franco-Mauritians. There was also little choice in terms of any other option as Franco-Mauritians did not have many competitors around the time of independence.

Through the merger, the Franco-Mauritians obtained 51 percent of the shares of the new company XY, while the British retained 49 percent. Shortly after independence, the newly established firm also purchased one of the oldest companies in the capital, a company which

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57 Interview: Mauritius, 30 May 2006.
dated back to the French period. According to Jacques Gougeard, the Franco-Mauritian heirs to this company considered it too complicated to manage the business themselves and decided to sell – a trend that, as will be shown further on, has been influential in the consolidation of the largest Franco-Mauritian business groups. A few more years later the British decreased their shares in XY to 41 percent and another six years later the British sold all their remaining shares (Austral 2004). Jacques Gougeard said, ‘an outside party had made an offer for the remaining British share. Yet, since we were already involved we could make the first bid and did not hesitate to do so.’ Consequently, Franco-Mauritians now fully control this business group.

**International Exposure**

Owing to Franco-Mauritian involvement in the trading and import business, many international brands and products are associated with Franco-Mauritians. Through their strong involvement in the private sector they had an advantage when it came to establishing overseas contacts. In other cases, cunning business practices gave them the lead. For instance, in one case a non-Franco-Mauritian business family approached Coca Cola in order to bid to become its local franchise producer. A Franco-Mauritian soft drink producer came to know about the potential deal, though, and contacted Coca Cola as well. Eventually, the Franco-Mauritian producer managed to secure the deal with Coca Cola. Coca Cola most likely chose the Franco-Mauritians because they already had experience in producing soft drinks.

In the time of Apartheid South Africa, the white Franco-Mauritians even had a monopoly on the trading going on between the two countries. Many edible and perishable products were imported for the Mauritian market due to the close proximity of South Africa. The Mauritian government was very pragmatic in terms of these business contacts; as one retired Franco-Mauritian businessman said, ‘given the number of products coming from South Africa it would have been costly for the Mauritian population if the government had decided to boycott South Africa.’ It should be noted, however, that only a small number of Franco-Mauritians directly profited from business contacts with South Africa. One Franco-Mauritan in particular made substantial profits because he was the exclusive representative of South African organisations responsible for trading fruits, vegetables, and steel – during the Apartheid regime South Africa had a highly regulated and centralised economic structure. Conversely, white South Africans profited from trading with Mauritius because this allowed them to get around the international boycott. With the collapse of the Apartheid regime, however, the situation changed and Mauritius became less interesting for the South Africans because there was no boycott any more. South

58 Interview: 23 January 2006.
Africa, though, owing to its proximity, remained important as a business partner for Mauritius. The advantage provided by the Franco-Mauritians’ white skin-colour became, however, ineffective and nowadays any Mauritian can trade with South Africa.

Franco-Mauritians also withdrew their investments from South Africa at this time. They had been attracted by investment opportunities in South Africa from the end of the nineteenth century – predominantly in the east coast’s sugar industry (Lincoln 1984; Martin 1987) – and around Mauritian independence this interest reached its peak because Franco-Mauritians feared for the future of their island. After 1968, exchange control prevented them from legally exporting money out of Mauritius but via transnational networks involving the Franco-Mauritian diaspora in Durban (Boudet 2004) and Franco-Mauritians remaining in Mauritius large sums were invested in South Africa. One Franco-Mauritian involved on the South African side said, ‘the large rich families remained in Mauritius and exported their money, while the poor migrated physically.’

Franco-Mauritians falsified the export invoices of products going to Mauritius in order to get around the exchange control. A Franco-Mauritian accountant residing in Durban even had wealthy Mauritian Muslim clients who illegally exported capital – the only restriction applied in this case was to not invest in alcohol. When the Apartheid regime collapsed the exchange controls in Mauritius had already been abolished and most Franco-Mauritians withdrew their investments. One Franco-Mauritian in Durban who had been involved in the investments cynically remarked, ‘Franco-Mauritians who had exported their money from Mauritius out of fear of the Indians taking over were now afraid of the blacks taking over in South Africa, although they were living in the middle of the [multi-cultural] Mauritian success story.’

Faltering Engine

Both the MCB and trading and business groups in general were, until the 1970s, unconditionally linked to the ups and downs of the sugar industry. The export of sugar to British and other European markets was the engine of the economy. The MCB mainly relied on money originating from the sugar industry with some coming from trading which explains its strong Franco-Mauritian influence. Trading also depended on the sugar industry because the Mauritian population’s purchasing power was strongly related to revenues from sugar exports. Mauritius may be far away from international business flows but the international market is, at the same time, the bedrock of Mauritian existence. With a growing population and a mono-economy
things needed to change, however. In order to survive, Mauritius needed to rely less on sugar. This brought new opportunities for Franco-Mauritians but also for other Mauritian.

5.2 Diversification

Nowadays, Mauritius is often cited as the Indian Ocean equivalent of the Asian Tigers. From the 1970s onwards the economy of the island has undergone extraordinary structural change (Lincoln 2006: 59). This has been a process with many dimensions to it: the state acting as an important motor behind the restructuring and keeping a close control over the economy; and reinforcement of Franco-Mauritian economic power at the same time as this group was receiving challenges to its economic dominance.

The first postcolonial government controlled, among other things, the exchange rate, capital export, parastatal bodies established to promote its social and economic goals and also imposed an export tax on sugar. During these processes, advice and loans from the IMF and the World Bank were welcomed. Considering that the sugar industry was the sole economic pillar of the economy, the state also needed this input for the restructuring of the economy. Richard Sandbrook et al. argue, ‘[r]evenues from sugar exports were used to diversify and industrialize the economy, as well as support an expanding welfare state’ (Sandbrook 2007: 124, 125).

Graph 5.3: Interlocking directorates for Top 100 Companies (numbers correspond with ranking in the list); the magnified nodes are sugar estates or business groups with a sugar branch and/or significant investments in sugar estates – circle-in-box are Franco-Mauritian controlled companies or Franco-Mauritian–foreign joint-ventures.
Money directly originating from Franco-Mauritian sugar estates was heavily invested in new domains of the economy, as can be seen from Graph 5.3. The same networks of interlocking directorates as in Graph 5.2 are shown but with all the sugar estates and business groups with a sugar branch and/or substantial investments in the sugar industry magnified. This clearly shows how sugar interests are central to the network of the top one hundred companies and that the sugar estates are, moreover, all Franco-Mauritian controlled. Other data, in fact, reveals that all five Franco-Mauritian business groups in the Mauritian 2007’s top ten largest companies are related to the sugar industry. Either the business group has a branch managing land and sugar industry assets and/or substantial share ownership is related to families whose wealth originates from the sugar industry. But how was it that Franco-Mauritians became successful in terms of investing in new economic activities and diversifying their portfolio? What opportunities were there for other Mauritians and to what extent did this lead to competition with Franco-Mauritian interests?

The Export Processing Zone

Drawing on the example of Taiwan, Hong Kong and Singapore the Mauritian university lecturer Professor Edouard Lim Fat lobbied for the creation of an Export Processing Zone (EPZ), an export-oriented manufacturing or service venture which, among other things, would benefit from special investment promotion incentives and exemptions from customs duties (Bräutigam 2003: 458; Neveling 2006: 2). In the 1970s, the establishment of the EPZ took on form. According to Antoinette Handley, ‘[b]etween 1970 and 1983 Mauritian businesspeople provided almost half the total equity capital to the new sector – and 47 percent of that local equity capital came directly from investment by private sugar companies’. She argues, ‘[a]gain, sugar was to prove the country’s cash cow’ (Handley 2008: 108, 109). The Franco-Mauritians were, thus, able to invest much of their wealth originating from the sugar industry in the new sector thereby securing their position.

Bernard Lepargneux, for example, comes from a well-established family which has been involved in the sugar industry for generations. In the early 1970s he initiated activities in the EPZ when the Mauritian Ministry of Industry, Commerce and International Trade brought him into contact with a European agency specialising in connecting investors and producers. Subsequently, a European contact introduced him to another European friend who initiated a

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63 The origin of other capital is not completely accounted for in the literature other than that much of the international capital came from Hong Kong (Handley 2008: 109) and that small-scale entrepreneurs have probably invested a part of it as ‘[m]any of the EPZ enterprises are small, family-owned textile factories, often located in the family’s living quarters’ (Eriksen 1998: 154).
new cooperative business venture which now employs around 230 employees. Thereafter, many of Bertrand Lepargneux’s joint ventures were established through the expanding of this network. Thus, initially stimulated by the Mauritian government, Bertrand Lepargneux eventually established his own network.

Some fifteen years ago his family ceased their sugar activities altogether and sold most of their land. Nowadays, Bernard Lepargneux is involved in a variety of joint-ventures in the EPZ and other businesses – the family owns, for example, shares in one top one hundred company. Recently he invested substantially in the production process of one of his EPZ enterprises involved in luxury products. According to him, luxury products are the answer to competition from China, the production house of the world. Lepargneux did point out, however, ‘competition with China is not specifically related to labour costs, but has more to do with the higher productivity of the Chinese compared to Mauritians.’

Bernard Lepargneux explained, while showing me his EPZ business situated in a number of white buildings along a strip of asphalt and surrounded by neatly maintained lawns and shrubberies, that all of the companies are joint-ventures. The majority of these are with European companies – one is with a Franco-Mauritian partner – with share-outs in the realm of fifty-fifty or with the Lepargneux family possessing a minority part of the shares. Lepargneux said, ‘I preferably have thirty percent of the shares when the profit is good instead of fifty percent without profit. Besides, my foreign partners often bring their specialized know-how, while I look after the local logistics and infrastructure. The contribution of this vital know-how is why partners sometimes have the majority of shares.’ Especially this international component of the EPZ (which did not involve owning land to produce a crop) proved an opportunity for other Mauritians.

Opportunities

The EPZ provided the economic springboard par excellence for other Mauritians. The Sino-Mauritians, many of whom were already involved in retail trading and small-scale manufacturing, were connected through business and family networks with the Chinese in Hong Kong and Taiwan. These Chinese businessmen had the financial means and the know-how for largescale textile manufacturing. It is estimated that 59 percent of the equity capital in the EPZ came from Hong Kong Chinese in 1982 (Bräutigam 2003: 456-460). These Hong Kong Chinese were attracted to Mauritius because it granted them access to the European market – Mauritius had

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64 Interview: Mauritius, 21 June 2006.
65 Ibid.
66 Ibid.
preferential access to Europe under the same agreements as for its sugar (Handley 2008: 109). Furthermore, they were worried about the negotiations that had started between the Chinese and British governments about the future of Hong Kong. Through their connections with the Hong Kong Chinese, the Sino-Mauritians established joint-ventures with these overseas Chinese – noteworthy, however, is that these joint-ventures were certainly not only ethnically driven since joint-ventures were also established between Franco-Mauritians and Hong Kong Chinese (Bräutigam 2003: 456-460).

The EPZ and especially the textile industry created the key opportunity for a new generation of businessmen and, in a sense, the creation of counter-elites in the economic domain. A highly successful Sino-Mauritian co-owner of one of the largest Mauritian textile companies argued that the success of a new generation of businessmen was actually related to the nature of the EPZ:

Cela a donné un coup de fouet à l’économie. Quand vous êtes engagés sur le marché européen ou américain, les cercles et les réseaux domestiques importent peu. La clientèle est internationale. Si [entreprise Z] desservait le marché local, elle n’aurait pu progresser comme elle l’a fait (L’Express, 15 March 2004).  

The quote perfectly illustrates the opportunities the EPZ offered Mauritians who had fewer opportunities in the local market dominated by Franco-Mauritians – they had the economic power to prevent others from initiating any economic activities that would directly interfere with theirs. His company is, as a matter of fact, among the island’s twenty largest companies but, regarding interlocking directorates, completely independent from the network in Graph 5.2.

What is more, the EPZ influenced the social and economic composition of Mauritian society as a whole. After an economically difficult period in the early 1980s, the second half of that decade was characterised by the success of the EPZ. Many Mauritians jumped on the bandwagon of the EPZ and new economic ventures created employment especially for low skilled labourers. In 1986, the sum of EPZ industries became the largest employer on Mauritius, surpassing the sugar industry. This led to economic prosperity for many of the island’s inhabitants and to a high rate of social change. Women increasingly participated in the labour market and, indeed, most employees in this sector are now women. The work floors of the large EPZ factories were more ethnically diverse than in the traditional businesses as well, leading to increasing interethnic contact (Eriksen 1998: 153-157).

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67 Translation: ‘That has hit the economy. When you are engaged in the European and American markets, the circles and local networks are of little importance. The clients are international. If [company Z] had served the local market, it could not have progressed as it has done.’
Thirty years after the establishment of the first EPZ firms, much has changed. Importantly, the textile industry has lost its preferential access to the European and American markets. Factories had to close down because of this and many of the Hong Kong Chinese involved in the textile industry left the island, often transferring their production to mainland China which has become a more accessible economy. Notwithstanding these problems, however, a number of top one hundred companies, owned by both Franco-Mauritians and other Mauritians, have survived by modernising their production processes – with a focus on the large-scale and less labour intensive manufacturing of clothes.

Tourism

Nowadays Mauritius is known around the world as a luxurious holiday and upmarket honeymoon destination. Like the EPZ, this is a relatively new economic sector, one which slowly developed from the 1950s onwards. It was not until the 1980s that Mauritians developed the full potential of this sector. According to Handley, ‘the pro-business Creole politician, Gaëtan Duval, was a crucial figure dynamizing government’s response in this regard. However, this was one of the few areas where the private sector in Mauritius played the lead role in developing a vision for its long-term development. (It was only as late as 1988 that the government established a specific ministry for tourism.’) (Handley 2008: 111, 112). From that period onwards tourism has contributed to the prosperity of many Mauritians especially consolidating Franco-Mauritian economic power, however, as in this case the private sector equalled Franco-Mauritian businessmen.

The retired Franco-Mauritian businessman Julien Bodrais was one of the first involved in the tourism industry in the 1950s. According to him, everyone thought they were crazy to invest in tourism. ‘The first tourists were French from the neighbouring islands of La Réunion, Madagascar and other whites from South Africa, Rhodesia [present-day Zimbabwe] and English from Kenya’, he said. With the help of the South African tourism mogul Sol Kerzner the industry further developed. This businessman was approached by Franco-Mauritians because of his experience in tourism. ‘It was in a joint-venture with Franco-Mauritians, although in the beginning the Franco-Mauritians only had a small share in this joint-venture’, said Bodrais. With respect to Kerzner, a Mauritian journalist critically remarked, ‘the Franco-Mauritians were not that inventive themselves, because Sol Kerzner taught them the trade.’

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69 Ibid.
70 Interview: Mauritius, 11 January 2006.
Gradually Mauritius developed into an upmarket tourist destination. Once again, money originating from the sugar industry proved vital, as this was heavily invested in the hotel business. In the case of the tourism industry competitive advantage, however, also stemmed from Franco-Mauritians’ land possession: building hotels and golf courses required land. But some collaboration from the government was also required since the hotels had to lease the small strip along the island’s coasts that was traditionally state land – in the past, this *pas géométrique* was exempted from private ownership in order to give free access for military control of enemy ships during the French colonial period.

Franco-Mauritian economic power stemming from land ownership can be illustrated by two examples. A retired non-Franco-Mauritian businessman with a long history of service in the Mauritian private sector said, ‘we [i.e. the family business he was part of] were involved in one of the first hotels on the island, in Curepipe.’ This was a hotel catering for businessmen, the businessman noted, because Curepipe is almost as far from the beaches as you can get in Mauritius. Subsequently, in the late 1960s and early 1970s, this businessman initiated talks between two Franco-Mauritian business groups and his own group. ‘We had good contacts with an overseas tour operator, while [one of the Franco-Mauritian groups] represented Lufthansa and [the other one, a sugar estate] had land’, he said. He proposed that they join forces; ‘Why don’t the three of us get together?’ At that time the island had hardly any hotels and government regulations allowed Mauritian-owned hotels only. The businessman told me, ‘there was good cooperation between the three of us’ but the plan collapsed because Lufthansa backed out. Eventually, the sugar estate initiated a hotel itself but without much success. Subsequently, the hotel was purchased by the joint-venture represented by Sol Kerzner and his Franco-Mauritian partners and was made into a success. The businessman and his family never tried to promote a similar enterprise again which explains their absence from the current scene.

Many years later, in 2008, a large Sino-Mauritian controlled textile company tried to get involved in the profitable hotel industry. This example shows the problematic issue of land from two different sides. In a still unresolved agreement, the lease of the small strip of state owned coastline was granted to the Sino-Mauritian company instead of to the Franco-Mauritian leaseholder from before – the Franco-Mauritian fully owning the land bordering the the small strip of coastline. To complicate matters, preceding the change of leaseholder the Franco-Mauritian had accused the Minister of Land of bribery due to problems renewing his leasehold for the small strip of state land. Whether or not a bribe was actually asked for remains unclear but

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71 To cater for the hotel industry, a local airliner was founded by Franco-Mauritians (Hein, 1996). However, over time the government considered it opportune to have a controlling stake in a national airline and nowadays the semi state-controlled company Air Mauritius is Mauritius’ largest company.

72 Interview: Mauritius, 13 April 2006.
the fact is that the leasehold was granted to the Sino-Mauritian company. This company revealed plans to build a luxurious hotel, similar to the hotels owned by the Franco-Mauritian hotel chains. However, for access to the coastline this company needed the agreement and/or co-operation of the respective Franco-Mauritian in order to use his land. At the same time this Franco-Mauritian was disputing the government’s change of leasehold (Week-End, 10 August 2008). The outcome remains unclear but, whatever happens, it is a challenge to Franco-Mauritian dominance in the hotel industry since it demonstrates how other Mauritians are trying to enter it. Contrary to what happened in the past, it also shows how the government is now less willing to lease strips of coastline to Franco-Mauritians. As will be elaborated on in Chapter Eight, it even seems as if the government might be driven by the wish to break Franco-Mauritian economic power. As the Minister of Land said:

[D]’élargir la base même des opérateurs économiques afin de motiver et d’attirer des «new players» dans des secteurs traditionnellement réservés à une poignée d’opérateurs. Et aussi que les terres de l’Etat ne peuvent et ne doivent plus être monopolisées par une poignée de possédants qui en ont joui depuis des décennies par un accident ou par une erreur de parcours, ou par un accident de l’histoire, et qui chercheraient par tous les moyens à les préserver comme leur propre propriété, comme leur propre bien. Non, les terres de l’Etat ne doivent plus, ne peuvent plus être accaparées par une poignée des possédants qui chercheraient aussi à créer leur propre état dans l’Etat mauricien. Il n’y a pas de « divine rights of kings » à Maurice. Seul le peuple est roi (Mauritius Times, 1 August 2008).

The two examples show that compared to a textile factory land is a much more important basis for successfully establishing a hotel. Even so, it should be said that Franco-Mauritians are also credited for the high standard of the industry as well (the hotels may have been initiated by foreigners but have been maintained at a high standard ever since). The above-mentioned retired non-Franco-Mauritian businessman said, ‘the investments and quality management of the Franco-Mauritians made the tourism industry a success and Mauritius a sought after holiday destination for many.’ Hence, the Franco-Mauritians have got ahead of other Mauritians in the hotel industry – the latter have not really kept up, although many Mauritians are now involved as entrepreneurs in the tourism industry on a much smaller scale. As a result, all of the four locally-owned luxury hotel chains in the top one hundred are controlled by Franco-Mauritians and have

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73 Translation: ‘attract “new players” to [economic] sectors traditionally reserved for a handful of businessmen. And also state land cannot and must not be monopolised any more by a handful of owners who have enjoyed this for over decades due to a mishap or an error in the events, or through a mishap of history, and who try with all means to preserve it as if it was their very own property. No the land of the state must not and cannot be taken by a handful of owners who try to also establish their own state in the State of Mauritius. There are no “divine rights of kings”.
Only the people are the king.’
a prominent position within the island’s business networks, as can be seen in Graph 5.4 – other luxury hotels are predominantly owned by global hotel chains, such as Hilton and Accor.

The involvement of foreign shareholders, like Kerzner, within the locally-owned hotel chains has also diminished. A hotel group ranking sixteenth in the top one hundred companies in 2007 used to be a joint-venture between Franco-Mauritians and Sol Kerzner. The company is listed on the Mauritian stock exchange and both Kerzner’s company and one of the island’s largest – and Franco-Mauritian controlled – business groups used to possess twenty percent of the shares each. The remaining sixty percent was publicly owned, yet without the possibility of controlling the board. Recently, the Franco-Mauritians and Kerzner’s group split their activities and divided the hotels (*Week-End*, 19 November 2006; *L’Express*, 17 November 2006). The Franco-Mauritians now completely control the hotel group but with fewer hotels and with the majority of shares still traded at the stock exchange.

**International Business**

Compared with other countries, one of the aspects that seems to have had a positive influence on the Franco-Mauritian economic position has been the absence of foreign investment. Apart from the Hong Kong Chinese and Kerzner’s involvement in a few hotel chains, the Mauritian
economy has not attracted many foreign investors. This seems partly related to the island’s small size. For example, the much larger Philippines has attracted a number of multinationals, such as the US-based food conglomerate Del Monte. This company depends on local Filipino sugar for its canned pineapple production but sells its products on the international market. This has an impact on local economic relationships because the Filipino sugar industry fears these multinational food exporters: the multinationals can pressure for lower prices by threatening to import cheaper sugar from abroad (Billig 2003: 117, 156, 169). Mauritius is different in that it does not have multinationals involved in export. Apart from a limited number of Franco-Mauritian–foreign joint-ventures involved in canned and frozen fish, there are only a few multinationals involved in importing to Mauritius, as with a few oil companies – other global brands catering for the Mauritian market such as Coca-Cola, Pepsi Cola, Philips and BMW are franchised. They hardly challenge the local balance of economic power, nor do the international hotel chains make a difference as their main interests are elsewhere. A potential challenge, however, is the increasing number of Indian businesses investing in Mauritius (L’Express, 3 May 2006; L’Express, 17 July 2006); as will be shown further on, this also appears to be politically motivated.

In general, it can be argued that historically Mauritius has been too small a market and too far away from international markets for internationally operating companies, something which has been to the advantage of the local private sector. According to the Franco-Mauritian CEO of a large business group, limited international interest in Mauritius is an important explanation for the prosperous position enjoyed by the island’s economy: ‘in the end money is reinvested in Mauritius and not transferred to the shareholders of the international businesses in, for example, France [where a large hotel chain like Club Med is based].’ He argued, ‘it is not only the Mauritian companies who profit, but also the Mauritian population at large.’

**Attracting Foreign Investment**

Lately, the problematic situation faced by the island’s sugar industry appears to be creating more openings for foreign investors. In 2005, the European Commission announced the gradual

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74 One Franco-Mauritian businessman also argued that foreign investors require local Mauritian partners for them to be successful because the Mauritians know to navigate through the mazes of the Mauritian economy. Indeed, many foreigners seem, actually, to have come to Mauritius by invitation from local partners. Co-operative and joint ventures between Franco-Mauritians and foreigners, such as that with Sol Kerzner, have been initiated by Franco-Mauritians when they did not have the know-how themselves. For example, a Franco-Mauritian owned construction company teamed up with a big South African construction company for the construction of one of the island’s first high office towers – South Africa was a logical place to look for co-operation because of its proximity and because many of the present generation of Franco-Mauritian engineers in the local construction industry studied in South Africa. However, the presence of large multinationals, such as the hotel chains, invalidates the argument of always requiring local partners.

75 Interview: 3 February 2005.
abolition of preferential prices for Mauritian sugar. Owing to problems in the EPZ sector as well, now two of the three main pillars of the Mauritian economy are experiencing difficult times. That preferential prices would be abolished has already been known about for a long time. However, Mauritius had hoped, as it turns out in vain, to negotiate a new deal. The depression experienced by the sugar industry not only affected the Franco-Mauritian bosses but also all the labourers and the Mauritian economy in general. To make the industry competitive, factories have to close down; while there were over two hundred mills in the nineteenth century, in 2006 there were only eleven left and it is assumed that only four will remain in 2010 – one for every point of the compass (L’Express, 7 March 2006). The positive side of the problems faced by the sugar industry is that many Franco-Mauritians now see the need to reform the economy and create new opportunities. One Franco-Mauritian businessman said, ‘I never saw the Franco-Mauritians working as hard as today’ – the government and private sector alike are looking for solutions.

One of the plans for tackling a recession was thought of by the government under the guidance of Anerood Jugnauth and Paul Bérenger, who governed the island in the period 2000-2005. These two initiated the Integrated Resort Scheme (IRS): the main goal of the scheme was to have the private sector initiate plans to build exclusive villa resorts with a substantial level of luxury, golf courses and other attractions. The IRS is especially aimed at wealthy foreigners who for a minimum of 500,000 US dollars investment in Mauritius will be eligible for Permanent Residence Status. Since land is a vital element for this idea, a number of Franco-Mauritian controlled sugar estates have initiated such projects (L’Express, 8 and 9 March 2006; Le Mauricien, 29 June 2006; Week-End, 25 June 2006). It is an endavour to produce satisfactory earnings for their vast landholdings.

These projects increase foreign investment on the island in two ways. Firstly, the villas and the land they are built on will become fully owned by the foreigners. Franco-Mauritians sell their land but, opposite to the case of the Grand Morcellement, the new owners will be foreigners instead of other Mauritians. Secondly, some of the projects are to be initiated with overseas business partners. Franco-Mauritians bring their land as the main asset and foreign partners come with financial means and expertise. What the social effects on Mauritian society will be are unknown at the moment since most projects are still underway. But attracting more foreign investors may be a potential challenge to the Franco-Mauritian elite position. To provide a relevant example, the situation on the equally small island of Martinique shows that the socio-economic structure and change of legislation can have a significant impact:

76 Informal conversation: Mauritius, date unknown.
In short, new economic practices, brought about because of French rules, profoundly change the nature of social relations between Békés families, which in the past had ensured that Békés would remain economically dominant on the island. In other words, the nature of business practices has been overhauled, and this threatens to break up the stronghold they have had on the economy, as well as the tight group dynamics which have held them together socially (Vogt 2005: 240).

Nowadays, in Martinique, out of a total population of approximately 360,000, Békés number about 3,000 people compared to 20,000 whites from metropolitan France (Vogt 2005: 59). The proportion of foreign whites in Mauritius is still lower at present but an increase may alter the situation.

**Regional Expansion**

The small size of the Mauritian economy makes the overall investment opportunities on the island for locals limited as well. A regular commenter on the Mauritian economy, Percy Mistry, chairman of the Oxford International Group, advised Mauritian business tycoons to invest abroad. He argued that it would be wise to have diversified business interests instead of concentrating ‘all my eggs in a very small economic basket that has not been particularly well managed over the last five years’ (Mauritius Times, 8 June 2007). After investments in South Africa, present-day investments are predominantly in and around the Indian Ocean region. Dominique Dervillers, the CEO of one of the most powerful family holdings, said, ‘Mauritian companies are small and cannot compete on the world market. They have their own niche market and can develop new markets in the region, which is relatively left aside by large companies. Franco-Mauritian companies benefit from unstable situations in the past and present in the region, because these markets are uninteresting for large foreign companies to invest.’

To give an example, three of the economically most powerful families and their related business groups have a shared investment in the sugar industry in Mozambique – the investment was actually preceded by a government initiated mission in 1996 which took the private sector to explore economic possibilities there. Other Franco-Mauritians are similarly involved in the sugar industry in Tanzania, in tourism in the Seychelles and the Maldives and in textile production in Madagascar.

India is increasingly receiving attention as a place to invest as well. With regard to the Franco-Mauritians this is an interesting development since India is largely associated with their closest Mauritian rivals, the Hindus. A renowned Mauritian journalist said, ‘if I had predicted this

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77 Interview: Mauritius, 16 February 2005.
move thirty years ago the Franco-Mauritians would have laughed at me.' He does admit that this move would have been difficult to predict at that time, though, because even for most Mauritians of Indian descendants ties with India were until recently hardly more than ancestral cultural ties with some sentimental affiliation attached. It was only from about five years ago onwards that this group started to develop interests in the economic opportunities of their ‘motherland’. The journalist’s argument was that the traditional lack of interest of Mauritian Hindus and Muslims in their ‘motherland’ would probably also explain the Franco-Mauritians’ lack of interest in India: if someone close to the land does not show interest then, logically, others more removed would not show an interest either. India’s economic progress has, however, increased global interest in the Indian economy and the journalist considers it a missed chance on the part of the Franco-Mauritians because with their close relationships with people of Indian descent they had an advantage and could have made a profit before the whole world got interested.

The lack of interest in the Indian economy shows that international business is to a certain extent affected by cultural affiliations. Business contacts with Apartheid South Africa were certainly shaped by a shared white European background. Interestingly, investments in France, the country of the Franco-Mauritian forefathers, and collaboration with the French in general are largely absent. One Franco-Mauritian businessman said, ‘the French have a twisted mind and are less to the point and clear than South Africans – the French write these long sentences – and we have more in common with South Africans than with French.’ He underlined that he was referring to doing business and not to culture in general, however. Another Franco-Mauritian businessman referred to failed co-operation with French as the result of the French being too arrogant and wanting to control everything. A joint-venture with South Africans was much more to his liking: ‘although the Franco-Mauritians have a culture related to the French they have an Anglo-Saxon business culture.’ In contrast, a third Franco-Mauritian businessman does not really like doing business with South Africans. He said, ‘South African producers are too expensive and they have the attitude that the whole world saw [Apartheid] wrongly, while they were right. Apart from this, South Africans have bad service and treat other African companies badly, which the fall of the Apartheid regime has not changed. I prefer doing business with Singapore where there is much more service and competition.’ Finally, one retired Franco-Mauritian businessman downplayed any cultural preferences: ‘we, the businessmen, are not in favour of South Africa or another country, but we are in favour of nos affaires.’

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78 Interview: 26 January 2006.
79 Interview: 17 February 2005.
81 Interview: Mauritius, 1 June 2006.
82 Interview: Mauritius, 30 May 2006.
An Indian Ocean Tiger

The previous paragraphs show that the decreasing dependence of the island’s economy on the sugar industry has truly been a process involving many dimensions. With money originating from the sugar industry, but importantly also with the support of the government, Franco-Mauritians practice of investing in new economic domains has been successful and has contributed to the island’s economic success story. This has fuelled a widespread and persistent Mauritian perception that the private sector equals Franco-Mauritian. A Sino-Mauritian businessman said, ‘the Franco-Mauritians own the big multi-something companies and for the rest of the Mauritians there are some niche markets left.’ The strong presence of the Sino-Mauritians in the textile industry is, according to him, just a niche business.\(^{83}\) In a more nuanced way, a Mauritian businessman of Muslim origin argued, ‘the dominance of the Franco-Mauritians in the private sector depends what economic sector you look at. If we talk about the sugar industry, we talk about Franco-Mauritians only, if we talk about tourism then Franco-Mauritians are very powerful, and if we talk about the textile industry then players are quite diverse.’\(^{84}\)

The origin of wealth in the sugar industry and the industry’s association with the colonial past makes for an interesting comparison with other sugar-producing (former) colonies. A number of the most prominent and wealthy families in the Philippines were once major players in the sugar industry, owning land and mills. According to Michael S. Billig, however, this fact is unknown to many Filipinos since nowadays these families have little to do with the sugar industry. They have diversified or given up on sugar entirely (Billig 2003: 251, 254). In Martinique, also, the Békès have successfully diversified away from the sugar industry and remained economically powerful. However, in contrast with the Filipinos, they are still much more strongly associated with their plantation past (Vogt 2005: 215, 313, 314). One theory is that it is due to the small size of Martinique and Mauritius and to differences in geography compared to the Philippines that the sugar industry (and the memory of it) has been much more omnipresent in these places. For example, in the Philippines the sugar industry is only located in certain regions and with its declining importance, a change from rural elites to urban based commercial, industrial and financial interests has occurred (Billig 2003: 3), in the process making many Filipino’s unaware of the origins of the related wealth. In Mauritius and Martinique, in contrast, everyone is extremely aware of the origins of the white elites, partly because the islands are too small to create an urban–rural divide. In Mauritius, moreover, nobody can ignore the existence of sugarcane because it grows everywhere on the island. And even today the largest

\(^{83}\) Interview: 17 January 2006.
\(^{84}\) Interview: Mauritius, 8 June 2006.
Franco-Mauritian business groups, which always had their headquarters in Port Louis, remain involved in the sugar industry.

Another dimension of the Mauritian economy is that, despite the arguments about niche markets, there are some very strong non-Franco-Mauritian business groups. Nor do Franco-Mauritians have a monopoly on monopolies, as one popular and politically exploited perception suggests. Certain Franco-Mauritian business groups have monopolised the importation of particular products but the importation of, for example, fresh fruits is seventy percent controlled by a Hindu family-owned business (*L’Express*, 14 May 2007). Nowadays, many more Mauritians have international exposure and act as exclusive importers. Foreign investment on the island is also increasing – as has been said, though, little of the foreign involvement in the Mauritian economy seems to have been to the advantage of the Franco-Mauritians. To a certain extent, international players are involved in new economic activities, such as the financial services sector (currently being promoted) and information and communication technology, activities which often require specific, often foreign, know-how. Mauritius is, itself, promoted as an IT-hub, yet it is currently mainly involved in the global trend of outsourcing credit control and call-centres. The large Franco-Mauritian business groups are involved in this domain as well (*Mauritius Times*, 19 October 2007), yet they certainly do not have the dominant position that they enjoy in other parts of the economy. In the last couple of years, then, the country has increasingly become more open to foreign investors and expatriate personnel85 which, as argued previously, may challenge Franco-Mauritian economic power.

**The Franco-Mauritian Stake in the Economy**

With an economy that has diversified away from solely relying on one crop and with so many small entrepreneurs, it is difficult to precisely determine the Franco-Mauritians’ stake in the local economy. The data available is just too vague and is not sufficiently targeted according to ethnic background to really establish a reliable figure for this. Both Mauritians and Franco-Mauritians alike, however, assume that the stake represents up to 50-60 percent of the Mauritian economy. A Mauritian economist even argued that the Franco-Mauritians ‘control 75% of the economy’86 although this appears farfetched.

It is clear, though, that Franco-Mauritians still control, in relation to their numbers, a disproportional part of the private sector. This is a fact that the Franco-Mauritians are also aware of themselves. Dominique Dervillers said, ‘it’s not considered ethical in this era for one ethnic

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86 Interview: 21 April 2006.
group to have so much economic power." Because of this position, however, the Franco-
Mauritians can still be considered a (business) elite. The maintenance of their position is further
explained by their economic practices and the peculiarities of Mauritian business culture, as will
be shown in the next section. Not all Franco-Mauritians are proprietors nor have they all been
involved in the sugar industry, yet virtually the whole community reaps the (financial) benefits of
their strong economic presence. A more in-depth analysis will show what practices have helped
them to maintain their position and also via which practices they are facing up to (potential)
decline.

5.3 The Culture of Business

The importance of networks is obvious from the interlocking directorates of the top one
hundred and Graph 5.5 shows all the businessmen from the previous network graphs who, per
person, coincide with each other in two or more directorates (in the previous graphs they were
the individuals connecting the companies, in Graph 5.5 they are the nodes). Two or more
‘overlaps’ per person allows us to assume that connections are stronger here and that interests
between the different persons involved are likelier to be identical. As for the previous networks,
the circles inside the bold box nodes represent a Franco-Mauritian identity, in this case that of
the businessmen. The other nodes represent a number of foreign, Sino-Mauritian and Muslim
businessmen, as well as Mauritians working for semi state-controlled companies. From the size of
the nodes one can also gauge the number of positions on the board and at top management level
– the more magnified the node the more positions. The largest seven nodes in the big network
are respectively: two cases with five positions, one case with seven positions, two cases with eight
positions, and two cases with eleven positions. These people are all Franco-Mauritians as, in fact,
are all but three in the large connected network – of these three, one is related to the semi state-
controlled companies and two are foreigners with long service in Mauritius.

87 Interview: 8 March 2006.
Graph 5.5 indicates how, within the formal business networks of the top one hundred companies, the Franco-Mauritians are by far the most connected to each other. These connections, as will be shown below, have different causes which often originate in more informal networks. Family is, for example, an important starting point for understanding Franco-Mauritian leverage and business practices: the people with the seven highest rankings in terms of positions represent the economic interests of five different families.

**Family**

The common perception is that the private sector in Mauritius is predominantly a family affair:

> *Si dans les années '70, le MMM [Mouvement Militant Mauricien] dénombrait 14 familles, aujourd'hui celles qui comptent le plus sur l'échiquier économique se limitent aux : … . À elles quatre, ces familles possèdent ou contrôlent au moins un hectare sur deux sous culture de canne à sucre. Elles contrôlent aussi les plus gros conglomérats du pays… (L'Express, 15 March 2004)*

References to the economic power of a number of families, like in the quote above, are frequently a reference to Franco-Mauritian families. All the ethnic communities have a strong

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88 During the 1970s the MMM numbered 14 families; today the ones who matter most on the economic chessboard are restricted to: … . These four families own or control at least one out of every two hectares under sugarcane cultivation. They also control the largest business groups in the country…
tendency for family businesses, though, and, as has been shown, there are a number of almost equally economically powerful non-Franco-Mauritian families. This is not uncommon to many other parts of the world either: ‘a large part of the French industrial, financial and commercial enterprises in 1996 were in the hands of private owners of capital, represented in most cases by families rather than individuals’ (Dogan 2003a: 28). It is often assumed that it is easier to maintain economic wealth within the family than to maintain political power within the family since the transmission of political positions by direct inheritance is impossible (Dogan 2003a: 30). In business elites, on the contrary, the transmission of positions is possible and in the case of the previously mentioned Gougeards, they successfully maintained the sugar estate in their family from 1912 onwards.

The present CEO, Guilleaume Gougeard, said, ‘there is quite a large degree of business sense in our family, which can be gathered from the past of the family in the private sector.’ The Gougeards have found new ways to enlarge their business interests and today the family has large financial interests in tourism, the EPZ and other segments of the Mauritian economy. Guilleaume Gougeard, however, said, ‘not that all the heirs of my great-grand father, who started the small sugar estate in 1912, are equally wealthy. Some have made their own investments or sold out their shares to other family members’ – family holdings often demand that shares are first offered for sale to members of the holding and, therefore, shares tend to stay within the family.

Succession

Of great importance in the pursuit of elite interests is to successfully deal with family matters, especially in the case of powerful family businesses. Owing to the long tradition of many of the Franco-Mauritian families in the private sector, wealth has been passed on from generation to generation. The number of heirs can be substantial; the Gougeard family has eighty to a hundred shareholders. Noteworthy, and comparable to the case of French elite families (Pinçon and Pinçon-Charlot 1998: 328), is that Guilleame Gougeard is not only an individual managing the family business but that he also has a function and role within the family structure: he manages the family assets and has to make sure that they are safeguarded for future generations. The family, as in France (Pinçon and Pinçon-Charlot 1998: 347), is not only about the heritage stemming from previous generations. With respect to his role, it is most likely expected that

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89 Interview: 23 February 2005.
90 Ibid.
91 The number of heirs has to do with the duration of activities of the families: one well-established non-Franco-Mauritian family also numbers about fifty heirs as a result of the fact that they have been involved in their business activities for a long time.
Guilleaume Gougeard will add value to the family business for the coming generations – for instance, through diversifying and successfully investing in other sectors of the economy. Hence we can see how the internal logic of well-established families are one of the driving forces behind Franco-Mauritian business practices.

Traditionally succession is from father to eldest son – notwithstanding the few exceptions, women tend to be absent from the management of the family business and of all the sixty-six persons in the interlocking directorates there are only two women. Jacques Gougeard argued that in other communities succession was more complicated and often ended up in infighting between heirs, something which affected the business. ‘It happens less between the children in the Franco-Mauritian community’, he said, ‘because the Franco-Mauritian families may be more business-minded families.’ Nevertheless, with large numbers of heirs, often in different branches of the business, it is not always a foregone conclusion who will be the successor and in the Franco-Mauritian community there are examples of brothers who left the island and never talked to each other again because of this.

Boardroom Battle

Dominique Dervillers, who figures among the seven businessmen with the highest number of directorate positions, argues, ‘I come from a friendly-minded family without struggles over succession like those that happen in other families.’ Other data, however, suggests that it was not a foregone conclusion as to whether Dominique Dervillers and his brothers would become the leading branch in the family. Control of the family assets has historically shifted from branch to branch. One of these shifts came about due to his cousin not managing the assets to the liking of the other heirs although Dominique Dervillers said that his cousin was not interested in succeeding his father, who had run the company together with Dominique Dervillers’ father. The cousin eventually left the family company, sold his shares and now successfully runs his own company.

In 2006, in another case, a business group with a shareholding divided between different branches, nowadays with distinct family names, ended up in a media-covered ‘boardroom battle’. This started because of a group that wished to oust the branch in control of the company. The struggle was spread over different subsidiaries and investment holdings. Alliances between different branches were forged (L'Express, 4 October 2006) and the ones initially in control were

92 Interview: Mauritius, 14 April 2006.
93 All the ins and outs of succession tend to be difficult to study since they are not often discussed publicly – and as a Franco-Mauritian informant said, ‘the families wouldn’t share their succession battles with [some researcher].’
94 Interview: Mauritius, 16 February 2005.
95 Interview: Mauritius, 14 February 2006.
temporarily suspended from their duties (L’Express, 17, 20 December 2006). Subsequently, the suspension was taken to court where the verdict reversed the decision (L’Express, 2 November 2007). The branch initially in control, for the time being at least, successfully settled the succession to their advantage. Economically irrational factors, such as power over the assets and big egos, appear to have been influential in this succession battle. Economic considerations were of influence as well, however, since one of the heirs was considered incapable of running the business even though he had succeeded his father who had successfully run the company before.

One could argue that the nature of family businesses is a potential internal challenge to the maintenance of economic power, as the correlation between a family business and the qualities of the management is a recurrent issue:

Nous constaterons que, dans la plupart des groupes familiaux puissants à Maurice, le principal critère reste souvent celui de la relation familiale et que cela aboutit parfois à confier des responsabilités importantes à des personnes qui ne sont pas les plus capables. En conséquence, au sein de la population, il peut y avoir cette perception que certaines personnes n’auront jamais l’occasion d’accéder à des responsabilités économiques, car les places sont réservées. Dans ce domaine, il faut ouvrir les yeux et avoir le courage de regarder la réalité en face. 96

To tackle this problem, a number of Franco-Mauritians argue that merit has to become more important in succession and family business issues. Dominique Dervillers said, ‘nowadays it is easier to refuse cousins and other relatives who are asking for jobs. I would just say we’re a public company and you don’t satisfy the necessary requirements for the job.’ 97 Another Franco-Mauritian CEO said, ‘the father-son situation is definitely over since independence. The pool for finding a successor is enlarged and today includes younger brothers and cousins.’ 98 He actually preferred to have a greater separation between the largest shareholders, belonging to certain Franco-Mauritian families, and managers. According to him the management positions are still occupied by cousins and nephews but he wants these to compete with others for these positions. 99 This seems to require a wider change in the mindset since breaking with the logic of succession is not always appreciated by everyone. One Franco-Mauritian company had a

96 Translation: ‘We observe that in the majority of powerful family groups in Mauritius the most essential norm is often the family relationship, which leads to the situation of entrusting important responsibilities to those who are not the most competent. As a consequence, in the heart of society, the perception can exist that some people will never have the opportunity to be assigned economic responsibilities because these places are reserved. In this context it is necessary to open ones eyes and to have the courage to look reality in the face’ (pamphlet written by Agora, a group of four important opinion makers related to the private sector; see Le Mauricien, 15-05-2007).
97 Interview: Mauritius, 8 March 2006.
98 Interview: Mauritius, 3 February 2005.
99 His argument may also have been mere political correctness, as large Franco-Mauritian businesses are under pressure to open up their top positions.
substantial dispute over the opening up of upper management positions to non-family members. When the company became a public company a key question was whether general policy should change and the job of CEO should be offered to someone from outside the family? The answer at that time was ‘no’.

**Networks**

Succession, despite the disputes it involves, partly explains how land and other resources have been successfully kept in the hands of certain Franco-Mauritian families. But the network of companies, linked to each other through interlocking directorates, is, importantly, also an illustration of shared investments between different Franco-Mauritian families and individuals. In 2007, for example, the Gougeard family shared a number of investments with another family in two of the island’s largest business groups. This started when Guilleaume Gougeard’s grandfather decided to buy a neighbouring estate in 1948 which he could not finance alone. In order to finance it, he asked another Franco-Mauritian to participate in the deal. In another case, a Franco-Mauritian entrepreneur needed investors to enlarge his business in edibles. According to his son, he contacted a wealthy Franco-Mauritian family because he did not have the means himself. Consequently, the wealthy Franco-Mauritian family now controls around 50 percent of the company’s shares.

Network analyses and other data indicate that shared ownership between different families is far more widespread within the Franco-Mauritian businesses community than among other Mauritians. A non-Franco-Mauritian businessman said, ‘joint-ventures between local players are limited in Mauritius anyhow. The local joint-ventures that exist are mainly between Franco-Mauritians.’ Joint-ventures between Franco-Mauritians and individuals related to the public sector, for example, are also virtually unexisting, although there is some shared investment between the state and Franco-Mauritians in the case of Air Mauritius. In Indonesia, on the contrary, joint-ventures emerged between Sino-Indonesians and state officials associated with the Suharto regime in order to further relationships between the two (Eklof 2004: 217) – as will be shown in Chapter Eight, Franco-Mauritians apply their economic resources differently in their relationship with the state.

The strong connections between different Franco-Mauritian families appear to exist for several reasons. Firstly, Franco-Mauritians are frequently linked to each other by (distant) family ties. This facilitates shared investments and/or participating in each others businesses. Secondly,

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100 Informal conversation: Mauritius, date unknown.
102 Interview: Mauritius, 8 June 2006.
there is the historical advantage of having substantial wealth within the community: in cases where a businessman cannot gather sufficient capital he often turns to other Franco-Mauritians to share the investment. This explains the wide portfolio of the large Franco-Mauritian business groups as well since these are often the result of take-overs and mergers of (family) businesses. Through the Franco-Mauritian network companies in financial difficulties and/or with succession problems were always first offered to other Franco-Mauritians. Successfully consolidating economic power is partly the result of this historical pattern: wealth may have changed hands between Franco-Mauritian families but it remained within the Franco-Mauritian community – derailed succession disputes, thus, hardly affected the Franco-Mauritian elite position as a whole.

Thirdly, cultural aspects and ethnicity have an impact on Franco-Mauritian shared investment and co-operation activities, although these are not exclusively Franco-Mauritian practices:

The core problem is actually not concentration of economic power but the hermetic nature of our business community. Our private sector suffers from an unwillingness to expand the net of economic opportunity beyond its own group or community. There is an inability to trust, work with and learn from ‘others’ and there is a misplaced notion that synergies means doing more in-house.  

Nevertheless, as will be elaborated on in the next chapter, kin solidarity among Franco-Mauritians is very strong and probably stronger than among other groups and counter-elites. A retired non-Franco-Mauritian businessman said, ‘it is not only a perception that the Franco-Mauritians work together to safeguard their interests, it is a fact.’ Yet this same man also confirmed, as will be shown below, that there is competition between the Franco-Mauritians themselves. With respect to the economically powerful Sino-Mauritians, the Franco-Mauritian business practice of co-operation is in stark contrast. Sino-Mauritian businesses are substantially less interlocking and operate much more as separate units. According to one Sino-Mauritian businessman, ‘the Sino-Mauritian community has less solidarity than the whites.’ As an elite, ‘the Sino-Mauritians are’, he argued, ‘moving upwards and fairly influential; yet, not as influential as the Franco-Mauritians.’ Franco-Mauritians it appears natural to work with their kin, though, since they have a long tradition of doing business with each other. A Franco-Mauritian

103 A quote from Agora, a group of four independent opinion makers related to the private sector (see Le Mauricien, 9 May 2007).
104 Interview: Mauritius, 13 April 2006.
105 Interview: Mauritius, 21 April 2006.
businessman involved in the purchase of numerous businesses said, ‘you always ask people you know first if you have something to offer. For example, people you meet at a cocktail party.’  

Or, indeed, at a wedding because when this businessman was at a wedding predominantly attended by Franco-Mauritians he was to be found in profound discussion with another Franco-Mauritian man. The wife of this man complained, ‘even when we are at a wedding, he is still talking only business.’

**Change**

The nature of Franco-Mauritian economic power has had an impact on business opportunities for other Mauritians. A retired non-Franco-Mauritian businessman said, ‘our family business group has difficulties selling [a certain product] to the large Franco-Mauritian controlled hotel groups, because we are the competitors of [a Franco-Mauritian company with a similar product]. While at the same time we can sell [another product] to the hotels because the quality is recognised and it is not directly in competition with a Franco-Mauritian product.’

Close co-operation between Franco-Mauritians, therefore, does not imply that they ignore non-Franco-Mauritian businesses altogether. Bertrand Caudrelier, a Franco-Mauritian businessman with a medium-size business, said:

> Ethnic background plays a role in business [in Mauritius]. It is, however, ambiguous and in my opinion respect and the level of service is, often, more important. The role of ethnicity should not be seen as playing a systematic role. You also have the personal factor, that you just like someone or you do not like someone, disregarding his ethnic background. I think economic and technical factors prevail in business.

But to a large extent this attitude is a recent phenomenon, as comments on the purchase of a Franco-Mauritian car import and sales company in 2006 show. The company was co-owned by two large Franco-Mauritian business groups. They had both been the exclusive importers of certain car brands but had joined forces to cut costs with each owning 50 percent of the shares. Apparently, the two business groups did not like this situation, though, and the car company started drifting. Subsequently, it was decided to sell the company to the largest non-Franco-Mauritian business group. A non-Franco-Mauritian businessman said, ‘a deal like this would not have been possible ten to fifteen years ago because then the Franco-Mauritians would not have

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106 Interview: Mauritius, 1 June 2006.
108 Interview: Mauritius, 13 April 2006.
sold it to a non-Franco-Mauritian.\footnote{Interview: Mauritius, 8 June 2006.} The change in behaviour of the Franco-Mauritians showed, according to the non-Franco-Mauritian businessman, that the Franco-Mauritians were becoming more intelligent because they were starting to put their business interests first.\footnote{It was, thus, comparable before to what Billig writes, ‘[o]ften, people act to sustain institutional forms that undermine their own economic interests because they perceive these forms as possessing deep-rooted moral and emotional legitimacy. Certain ways of conducting business become taken for granted as right, just and proper’ (Billig 2003: 14).} They had overcome their sentiments and opted for economic interests above all else, an adaptation to the new reality in which competition forces them to act more according to their strict business interests.

**Franco-Mauritian Competition**

Franco-Mauritian businessmen typically downplay their close co-operation and frequently argued that there was strong competition among them. This, according to a retired businessman who worked for one of the largest business groups, is one of the explanations for the high number of joint-ventures between Franco-Mauritians:

There is a continuous *guerre economique* between the families and their companies. They will not give each other presents. All the large business groups operate in their own domains and have their own supply chains. They don’t want to buy, for instance, fertilizers [for their sugar industry] from the competitor, although belonging to the same community. Instead they create a separate joint-venture together for selling fertilizers, so all of them can have a share of the profit.\footnote{Interview: Mauritius, 30 May 2006.}

There are, indeed, many conflicts of interests between Franco-Mauritian families and their related businesses. Recently, the restructuring of the sugar industry brought two large sugar estates into conflict. Of the three mills they had between them, one is about to close down. This implies that the cane which was normally processed in that respective mill will be distributed between the remaining two mills. But the mill that has to close down is controlled by a family that is also involved in one of the other mills. They, therefore, want part of the sugar processed in their remaining mill while the other estate also wants to process their fair share of the cane. Hence, a conflict over the distribution of the cane is created (*L’Express*, 13 and 23 May 2008). Probably they will come to an agreement at some point; as Dominique Dervillers commented, ‘[t]here is no hardship between the different [Franco-Mauritian] groups. We compete, but not until the bitter end because socially we are also friends. I consider the competition more as a game with sportish
This shows that even though many Franco-Mauritian businessmen would like to convey the image of strong competition between them, this is, in fact, limited. Kinship thus ties Franco-Mauritians in command positions together in a close-knit network. Importantly, kinship also affects the rest of the Franco-Mauritians’ maintenance of an elite position.

Employing Kin

As mentioned before, the private sector suffers from an unwillingness to expand the net of economic opportunity beyond its own group or community. In that sense, the Franco-Mauritians are not unique, because many Mauritian businesses employ people according to kin. Franco-Mauritian economic power and the small size of the community, however, makes a difference. Graph 5.6 shows that almost 35 percent of the questionnaire’s respondents work as employees. This group still finds employment relatively easily with Franco-Mauritian companies, however. Unemployment, it is argued, is virtually absent from the Franco-Mauritian community. It is assumed here that the profession ‘none’ in Graph 5.6 has been ticked only by housewives, even though compared to the past many more women now work outside of the home. A number of pensioners probably ticked ‘none’ or ‘other’ as well. Hence, the ‘none’ figure should not be considered an indication that almost 10 percent of the Franco-Mauritian respondents were unemployed. The absence of unemployment in the Franco-Mauritian community is in striking contrast with the 9.9 percent general Mauritian unemployment rate (in 2006). It should be noted here that comparative figures for the island’s ethnicities do not exist in relation to this as Mauritian statistics do not specify the unemployment rate according to ethnic background.

113 Interview: Mauritius, 16 February 2005.
114 The departure of Franco-Mauritians around independence together with the economic success story may have further facilitated this trend as there were less Franco-Mauritians for (potentially) more jobs.
Looking at employment patterns, an interesting practice emerges, a practice that facilitates the maintenance of an elite position because even though not all Franco-Mauritians possess businesses or land or own shares, the whole community benefits from strong Franco-Mauritian ownership. Franco-Mauritian employees tend to be employed in elevated positions in the hierarchy of the work environment and are not to be found among the working class employees (Eriksen 1998: 62). As in Martinique, where the Békés are mainly employed at the management level (Kovats Beaudoux and Giraud 2002: 68, 73; Vogt 2005: 252), this, as will be illustrated in Chapter Seven, has an impact on the symbolic aspect of their white skin-colour. Moreover, Franco-Mauritians also often receive good fringe benefits. In the sugar industry, for example, the Franco-Mauritians always constituted the management. This gave (and still gives) them many privileges such as cars with drivers, nice houses on the estate’s premises and servants paid for by the estates. One Franco-Mauritian field manager working for one of the Franco-Mauritian owned estates said, ‘we are milliardaires pauvres’ because we do not possess much but live a life like a king.\footnote{Translation: poor millionaires} The declining importance of the sugar industry and the diversification of the economy have only changed the position of Franco-Mauritian employees in a limited way, as is shown by comparing income data.

\footnote{Translation: poor millionaires}
\footnote{Interview: Mauritius, 21 December 2005.}
The average monthly household disposable income of a Mauritian was Rs 19,000 in 2006/07,\textsuperscript{118} and the average monthly earnings were Rs 12,600 in March 2006 (Rs 1,000 fluctuated between € 30 and € 20 at that time).\textsuperscript{119} However, as the bar chart in Graph 5.7 indicates, the monthly income of the Franco-Mauritian questionnaire’s respondents was substantially higher.\textsuperscript{120} About three-quarters of the Franco-Mauritian respondents had an income above Rs 40,000 per month. Moreover, almost half had an income of Rs 80,000 or more per month, four times higher than the average Mauritian monthly household disposable income.\textsuperscript{121}

Graph 5.7: Franco-Mauritian respondents’ monthly income in 2006 (Source: Field Questionnaire 2006).

The income levels are a reflection of Franco-Mauritians positions in the white-collar echelons of the private sector. A Franco-Mauritian in an executive function, however, also argued that Franco-Mauritians earn a bit more for performing the same function as a non-Franco-Mauritian. He said, ‘we, Franco-Mauritians, like to earn a bit more.”\textsuperscript{122}

\textsuperscript{119} http://www.gov.mu/portal/goc/cso/ei656/toc.htm [accessed 23 June 2008]
\textsuperscript{120} It is assumed that Franco-Mauritian respondents have indiscriminately filled in the respective question as monthly income and/or monthly household budget. Although a clear distinction between the two can, therefore, not be made, this gives a good indication of income differences.
\textsuperscript{121} Following on from Teresa Jean Odendahl’s study of the US rich, above Rs 80,000 the income may be unequally distributed. She writes, ‘even among the rich [10 percent of the population], wealth is distributed like an inverted pyramid. In 1983, 1 percent of wealth-holders [in the US] owned 34,3 percent of all assets while the remaining 9 percent owned slightly less, 33,6 percent” (Odendahl 1990).
\textsuperscript{122} Participant observation: Mauritius, date unknown.
Point Commun

Probing the advantages that Franco-Mauritian employees have illuminates Franco-Mauritian practices. The fact that so many Franco-Mauritians find good employment is related, as with Franco-Mauritian business to business relations, to Franco-Mauritian networks. A Franco-Mauritian businessman said, ‘as a Franco-Mauritian you can always contact a relative or other Franco-Mauritian to inquire after a job for your child.’¹²³ According to one Franco-Mauritian woman, the network works to the extent that sometimes completely incompetent Franco-Mauritians are helped out and employed in family companies¹²⁴ – this is similar to the evidence that until some decades ago Franco-Mauritians could always find employment at the MCB.

Moreover, this type of behaviour appears to answer ‘the sound judgement, as gauged by the [corporate] men of sound judgement who select them’ (Wright Mills 2000 [1956]: 141). Franco-Mauritian businessmen said that they have more control when they employ Franco-Mauritians because they know the parents and the family of the employee. They argue that this enhances trust and confidence, vital elements required for doing business and dealing with employees. They justify their practices by referring to having a point commun, to the virtue of not being cheated and to the fact that birds of a feather flock together. In relation to this, Alain Trottier, a Franco-Mauritian businessman, said, ‘did you notice Franco-Mauritians have more leadership skills?’¹²⁵ A retired Franco-Mauritian businessman said, ‘you can only count to a lesser extent on Indians, Creoles and Chinese.’ This preference, he said, ‘has to do with [Franco-Mauritians] being better educated and that others have a style of living that isn’t ours.’¹²⁶ A Franco-Mauritian businessman involved in the textile industry further illustrated this way of thinking. He said, ‘I had problems with a Hindu female secretary who had breached my confidentiality. Besides, I had problems with her professionalism.’ Noteworthy here is that the businessman argued that he did not consider Hindus unprofessional in general: ‘I would not have had this problem with a Hindu had I been in Europe. The cause is the Mauritian culture in which there exists a lack of trust between the different ethnic communities.’ For the last six months he had had a new Franco-Mauritian secretary who was, he said, ‘very professional.’¹²⁷

A shared cultural background also helps Franco-Mauritians who do not have access to the right network. A Franco-Mauritian father said, ‘my children lack backing because I, as a father, am not in a position to slap the table at some Franco-Mauritian’s office to stress the need

¹²³ Informal conversation: Mauritius, date unknown.
¹²⁴ Interview: Mauritius, 12 January 2006.
¹²⁵ Interview: Mauritius, 29 June 2006 – In Martinique, a Béké businessman also referred to the Békés’ ability for running a business (Vogt 2005: 246).
¹²⁶ Interview: Mauritius, 30 May 2006.
¹²⁷ Interview: Mauritius, 12 January 2006.
for employment for my children. We are not a rich family.\textsuperscript{128} Despite the lack of network, his children found employment in Franco-Mauritian businesses relatively easily by sending their curriculum vitae around. The employers may not have known them or their father personally but they could nevertheless directly recognise their Franco-Mauritian family name. A Franco-Mauritian woman explained how her Franco-Mauritian husband, after they had returned from France, was helped by her father to establish a network. Her husband’s family did not have a network like her father had within the top echelons of the Franco-Mauritian business community. During the first six months after they had resettled in Mauritius her husband was assisted by his father-in-law in making the right contacts and establishing a network which would give him work as an independent professional. His success did not solely rely on his marriage and the establishing of these new networks, however, because he also still had good contacts with his former French boss. With the help of his father-in-law he increased the number of Franco-Mauritian clients he eventually worked with, though.\textsuperscript{129}

The advantages Franco-Mauritians have looking for employment in the private sector means that Franco-Mauritians are hardly ever employed outside Franco-Mauritian businesses. Franco-Mauritians are, for example, virtually absent from the public sector. Like politics, the public sector is considered the domain of the Hindus. This perception influences the lack of Franco-Mauritians in the public sector: Franco-Mauritians will not even apply for jobs as civil servants because they do not expect to be hired. Franco-Mauritians also hardly ever work in non-Franco-Mauritian businesses in the private sector as in most businesses the ethnic background of the owners is reflected in the management of the company.

\textit{Beyond the Franco-Mauritian community}

Despite a shared cultural background, the elite position of Franco-Mauritian employees is more and more challenged as meritocracy comes knocking at the door of the Franco-Mauritians’ businesses, creating more opportunities for other Mauritians. In fact, historically, Franco-Mauritian companies have always employed non-Franco-Mauritians – as a matter of fact Franco-Mauritians are among the island’s largest employers – however, the capacity in which these people have been employed has changed.

Initially, Mauritians were predominantly employed as labourers; a more sophisticated economy, however, requires specific know-how which cannot always be found in the Franco-Mauritian community. Besides, in order to secure their positions Franco-Mauritian businesses cannot permit themselves to become less competitive vis-à-vis other businesses just because they

\textsuperscript{128} Interview: Mauritius, 31 May 2006.  
\textsuperscript{129} Interview: Mauritius, 28 December 2005.
want to employ their own kin. There is also external pressure: the big Franco-Mauritian business groups are under pressure from politicians and the media to open up their ranks. Favouring Franco-Mauritians on the basis of (subjective) ethnic affiliation instead of (objective) merit is considered to belong to the past. One author of a letter-to-the-editor considered it appalling that board seats of large business groups were still reserved for the ‘nomenclature of whites’ since the companies do not sell their products exclusively to Mauritians of European descent but to an ethnically diverse nation (Le Mauricien, 25 May 2007). This letter was a reflection of his perception that a non-Franco-Mauritian in charge of a highly profitable department of a Franco-Mauritian controlled business group, who he considered to be one of the most brilliant managers in the country, was deprived of a seat on the company’s board. All the seats were occupied by Franco-Mauritians. For this reason, he continued, the island’s economy does not take advantage of the country’s human potential and cultural richness, leading to too much talent being wasted. Meritocracy does not yet really exist in Mauritius, he argues (Le Mauricien, 25 May 2007). This is, however, not an entirely one-sided situation. The fact that the manager he referred to works for a Franco-Mauritian controlled business group proves that a certain level of meritocracy does exist and that the Franco-Mauritian monopoly on these functions has become jeopardised.

In a few cases this pattern of employing Mauritians in positions previously reserved for Franco-Mauritians has also reached the board level; some large Franco-Mauritian business groups now have Mauritians from other communities on their boards. Alain Trottier, however, said, ‘they are essentially puppets, because they don’t have any real voice in the decision-making. In the end the people with the majority of shares decide and they are often Franco-Mauritians.’ This, then, hardly challenges the proprietors. Your average Franco-Mauritians, however, are anxious that in the future merit will actually become the norm for all jobs and that they will thus lose the advantages coming from having a shared background and good connections. ‘Within ten years meritocracy will be the rule’, a retired Franco-Mauritian businessman said, ‘a pity for our children.’

This gradual shift also seems to relate to the opportunities provided by new (business) networks. ‘Employing a Chinese [i.e. Sino-Mauritian] would certainly help to attract Chinese enterprises to my product’, said Bertrand Caudrelier – nonetheless, he does not intend to hire one for this reason alone. A renowned journalist also explained that Franco-Mauritian companies are employing many bright ‘Indians’ these days. ‘From a business point of view the companies have a tendency to open up to the new Hindu elite because employing them may open new

130 Interview: Mauritius, 17 February 2005.
131 Interview: Mauritius, 30 May 2006.
networks and enhances co-operation with government officials, who tend to be Hindu as well,’ he said.\textsuperscript{133} His statement seems to be supported by a number of Hindu appointees to Franco-Mauritian companies (see, for example, \textit{L’Express}, 22 January 2007). The aim of smoothening co-operation was, moreover, confirmed by a white foreign businessman who had served for many years in a company associated with a Franco-Mauritian business group. He said, ‘I would not send a white to meetings with the government. Even in the case of the white being better qualified I would let him be accompanied by a non-white.’\textsuperscript{134}

At the same time, ethnic affiliation can also be a problem. Sometimes a business needs someone who has no ties to anyone at all on the small island. For example, the island’s largest (Franco-Mauritian controlled) brewery recently decided to employ an expatriate in the top post. Allegedly, the board of directors chose a manager who could reorganise and take unpopular decisions related to the need to downsize the staff.\textsuperscript{135} In the small setting of Mauritius a (Franco-)Mauritian could not have done this job and so they needed a foreigner to do the ‘dirty’ work – in the public sector expatriates sometimes perform similar difficult jobs. The number of foreigners at management level is, however, limited. A retired Mauritian businessman said, ‘more international input at board level is difficult because, again, there is the barrier of distance. Travel costs and effort are too demanding for attending a board meeting every one or two months. Though increasing foreign investment may eventually make it easier.’\textsuperscript{136} Most expatriates who work on the island either work for foreign companies, in the hotel business, in joint-ventures, or have their own businesses – in Chapter Seven the effect of their presence on Mauritian inter-ethnic relationships will be discussed.

\textit{More Effort}

One Franco-Mauritian manager said, ‘there are many capable Mauritians who can do the job.’\textsuperscript{137} These Mauritians, however, often have to prove themselves more in order to convince their Franco-Mauritian employers of their worth. In general, establishing trust is a longer process because this is not something established beforehand through acquaintance with family members and a shared culture – besides, they lack access to the Franco-Mauritian networks. Trust, then, comes from a history of working together, which often implies a different career path. For example, \textit{L’Express} featured an article about the career of a Mauritian working for a large Franco-Mauritian controlled hotel chain. He had started his career as a servant and gradually moved up

\textsuperscript{133} Interview: Mauritius, 26 January 2006.
\textsuperscript{134} Interview: Mauritius, 13 July 2006.
\textsuperscript{135} Interview: South Africa, 29 August 2006.
\textsuperscript{136} Interview: Mauritius, 13 April 2006.
\textsuperscript{137} Interview: Paris, 12 October 2006.
to become resident manager of one of the hotels (L’Express, 30 January 2007). This career path would be highly unusual for a Franco-Mauritian because he/she would almost always start in a higher position to begin with. But once trust is established, as the article illustrates, Franco-Mauritians can be loyal. Another example confirms this as well: a large Franco-Mauritian client remained with a Mauritian accountant after he moved from one firm to another because they were satisfied with his services. In this case, then, economic-professional criteria predominated.

It should be mentioned, however, that it is not a foregone conclusion that the promotion of a non-white be accepted by other non-white Mauritians as, in effect, someone from their midst suddenly becomes in charge of them. Alain Trottier said, ‘they started as a mason [in our company], but over time made promotion. But in their case it’s sometimes difficult to manage the situation, because they come from the same group and on Saturdays still socialise with their former equals who have now become their subordinates.’

This takes us back to Alain Trottier’s previous remark that Franco-Mauritians are more respected as managers and have more authority in management functions compared to other Mauritians. In a way, the Franco-Mauritians are simply attributed the position of managers. ‘It might come from the past, although I don’t exactly know it’, he said. The foreign white businessman argued, ‘there is a psychological problem with many of the Mauritians because they have grown up in a society where the whites were favoured.’

One theory is that many Mauritians have a culture deriving from being ‘historically on the defensive’ (Crehan 2002: 100) and that these cultural patterns can be persistent and that offsetting the ‘accepted’ ethnic composition of the management role can lead to problems.

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139 Ibid.
140 Interview: Mauritius, 13 July 2006.
**Dealing with Change**

Franco-Mauritians’ culture of dominance is persistent and change towards an increasing focus on merit is not something well-received by all. Some Franco-Mauritians do not take the changes lightly and have to come to terms with the fact that they are not now always the ones chosen as managers. A white foreign businessman said, ‘I had appointed a general manager of Indian descent [a Mauritian Hindu] above two white guys. They could not cope with it. The whites have a huge psychological problem with having a Mauritian as a superior.’ According to this businessman, the Franco-Mauritian employees did not voice their disapproval of the new Hindu manager in so many words but this was clear to him anyway; he suspected that the Franco-Mauritians were being laughed at by their friends because they were now the subordinates of a non-white. He said, ‘one of them tried to influence my decision by trying to convince me that appointing him would open doors. He was probably right that it would open doors because compared to the Indian guy he had more friends and acquaintances at other companies. But being the general manager involves more than opening doors.’

This shows, together with Alain Trottier’s remarks, that there still is a widespread assumption in the Franco-Mauritian community that they just are better managers. Changes at the top level are, therefore, slow as meritocracy seems to stop short of the level of the board of directors and often also that of the senior management positions. Notwithstanding the few non-Franco-Mauritians on the boards of directors and at senior management level, a preference for Franco-Mauritians persists as can be seen by the fact that these positions are mainly occupied by the largest shareholders and they tend to be Franco-Mauritians. In the cases involving appointing independent managers and board members, Franco-Mauritian friends tend to be employed – as one businessmen said, ‘w]e know them, so we can trust them’ However, especially for the average Franco-Mauritian, employment issues represent a challenge to their elite position. They face this challenge, however, via the practice of high-quality education.

**Education**

According to Pinçon and Pinçon-Charlot (1998), an increasingly complicated economy requires better education and training. In France having a degree did not matter in the past as learning the trade on the work floor proved sufficient. Nowadays, however, French elite families focus much more on getting an excellent education (Pinçon and Pinçon-Charlot 1998: 370). Among the Franco-Mauritians, too, a good education is required to prepare them for the labour market and for this reason many Franco-Mauritians attend tertiary education, preferably abroad. In the past

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141 Interview: Mauritius, 13 July 2006.
142 Informal conversation: 1 March 2006.
this has been different because, like in France, they had typically learned their trade on the work floor after being educated in Mauritius.

During much of the colonial period Franco-Mauritians had the advantage of a quality education because this was something that they could afford and because they valued education. Together with the children of British colonial officers, the Franco-Mauritians attended the Royal College in Curepipe. After the abolition of the colour bar in 1828, the *gens de couleur* were allowed to join them (Allen 1999: 79, 80). Pressure on the Franco-Mauritians’ privileged position within the educational system only started with the emancipation of the Indo-Mauritians and other groups in the early twentieth century.

Among these groups, Western education gradually gained prestige. Burton Benedict argued that ‘[e]conomic betterment is not the only incentive for education; prestige and the possibilities of upward social mobility play a great part. A Western education carries with it considerable prestige not only for the individual who has received or is receiving it but also for his family.’ The new constitution of 1948 contributed substantially to the importance of prestige among the Indo-Mauritian population: ‘[e]very successful Indian candidate was Western-educated. The leading politicians in Mauritius are doctors, lawyers, and teachers. Most of them have completed their education in the United Kingdom. The prestige attaching to education weighs heavily at the polls’ (Benedict 1958: 320, 322).

This was a challenge to the Franco-Mauritian elite position as they lost their lead in this field with other Mauritians enrolling in similar levels of education. Franco-Mauritians, however, faced up to this challenge directly. From the very first day that the quality schooling of the Franco-Mauritian children was rivalled by that of other groups, the community has been very resilient in this respect, safeguarding a good standard of education for their children. Focusing on quality education and even turning good education into a privilege is a characteristic that many elites share, as is shown by the US’ Ivy League universities (Golden 2006). When in the early twentieth century other ethnic groups began vying for places at the Royal College, many Franco-Mauritians transferred their children to Catholic mission schools. For much of the twentieth century Franco-Mauritian pupils have dominated the best of these missionary schools. In other schools the Catholic Church also looked after the education of Mauritians from other backgrounds, although not on the same level. A Mauritian priest said, ‘the Franco-Mauritians were not in favour of educating the masses, although at the same time the Catholic Church, which initiated education for the masses, was an important Franco-Mauritian vehicle.’

In the 1950s we see the onset of a major change for the Franco-Mauritians. Both the Royal College and the missionary schools had an English curriculum and were single-sex schools.

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143 Interview: Mauritius, 16 March 2006.
In 1953, a group of French and Franco-Mauritian parents established the Lycée La Bourdonnais, the first French-curriculum school on the island, in Curepipe. The establishment of this school corresponded with the increasing competition from other communities in the mission schools. However, it seems that the initiative to start a French-curriculum school was also related to the preference of a number of parents to educate their children in their maternal (French) language using the French educational system. Other Franco-Mauritian parents were sceptical about the initiative mainly because of the mixed-sex character of the school.

This situation changed in the 1970s when the Catholic mission schools came under the control of the state and competition for enrolment increased: Franco-Mauritians were forced to compete for admittance with all Mauritians on the basis of merit alone – before, Catholic religion had been important for enrolment. Franco-Mauritian parents who had been initially sceptical about the French system changed their opinion and sent their children to the French school(s). Simultaneously, Franco-Mauritians moved en masse from Curepipe and its surroundings to the seaside and a number of Franco-Mauritian parents initiated a second French-curriculum school in the north. This was the École du Nord.

Nowadays, many Mauritians highly value education and put a lot of money and effort into providing a good education for their children since this enhances social mobility. The Franco-Mauritians, in answer to this, have safeguarded a good standard of education for themselves through the use of private schools, a practice mutually reinforced by their (elite) income as one needs to be able to cover the school fees to adopt this strategy. In the late 1990s a third French-curriculum school was opened by a number of Franco-Mauritians. Increasing demand for private French education, this also coming from other Mauritians, necessitated the establishment of the Lycée des Mascareignes in 2001, an upper school located next to the École du Centre that caters for the pupils of École du Nord and École du Centre – previously this need had been taken care of by Lycée La Bourdonnais. And in 2003 on the west coast (where many Franco-Mauritians and expatriates reside) the French-curriculum primary school Paul et Virginie opened its doors as the fifth French school in Mauritius. Consequently, hardly any Franco-Mauritian children are left in the state educational system. They almost all attend the private French schools or, in smaller numbers, the two private English schools, Le Bocage and Northfields. All in all, Franco-Mauritians proved themselves to be pioneers in the safeguarding of a good level of education for their children. Many other Mauritians followed suit because the schools have mixed populations, at least community-wise because the high school fees imply that the pupils almost all come from privileged backgrounds.
Studying Abroad

As previously mentioned, in the past Franco-Mauritians learned their trade on the work floor. But most of the current generation of CEOs were, in fact, trained at overseas institutions in order to be able to deal with an increasingly complicated economy. For the purposes of a good education and training these type of people needed to go abroad as Mauritius had limited facilities. Even now the situation has not changed much and many Franco-Mauritians send their children to South Africa and France with a limited number even sending their progeny to Australia and the United Kingdom. This comes at a price and despite their substantial economic privileges not all Franco-Mauritians can afford to send their children abroad – nor do all Franco-Mauritian students want to go or succeed in going overseas.

One solution to the financial problem is provided by scholarships for overseas training supplied by Franco-Mauritian businesses. There is also a Franco-Mauritian organisation that provides loans to needy students. A requirement for this is that the applicant’s family be lacking the financial means to finance overseas studies and that one not have a foreign passport, because this can have financial advantages – for example, a French passport makes Franco-Mauritians eligible for some French state support. The system of scholarships, which has been in place for longer as demonstrated by the example of Jean-Pierre Lenoir, involves working for a number of years for the company providing the funding after returning to Mauritius with a degree. To be eligible, being a Franco-Mauritian is not an absolute requirement. The scholarships are, however, not widely publicised. Hence, through their networks Franco-Mauritians have the advantage of being aware of these scholarships and of knowing the right person to contact to access them. Besides, all this is, again, related to trust and familiarity: the Franco-Mauritian businesses are familiar with the situation and family of the respective students.

Another solution for getting tertiary education is found locally. In the case of the Franco-Mauritians, however, the local University of Mauritius is not an option as it is considered below Franco-Mauritian elite status and is part of the state educational system, which is perceived to favour Hindus. The acceptable options consist of a few private educational institutes in Mauritius which have foreign universities as partners for their programmes. The main private tertiary education institution catering for Franco-Mauritians (and other Mauritians) is called the Charles Telfair Institute. Previously it was named after a Franco-Mauritian controlled consultancy firm but with the financial input coming from a number of new shareholders it was deemed appropriate that it change its name. Interestingly, these new shareholders were mainly large Franco-Mauritian controlled business groups and the MCB (*L'Express*, 21 April 2007). This demonstrates the value the respective business groups give to (locally) training future employees.
Nevertheless, overseas education still seems to be favoured as it is considered a good opportunity to leave the island – Franco-Mauritians who attend the Charles Telfair Institute often appear to spend at least some time abroad later in their studies. A Franco-Mauritian woman said, ‘it is necessary for children to leave the island for some time. It helps in broadening the person’s viewpoint.’144 This also, however, seems to further one’s position on the job market as the prestige of an overseas degree appears a useful addition to education in general (secondary and tertiary) and is appreciated by businessmen.

The Right Background
Franco-Mauritians are not by any means the only Mauritians studying abroad, although studying abroad is not what is in store for most Mauritians. It is argued that many of the Mauritians studying abroad try to find employment outside Mauritius (L’Express, 12 February 2007), while most Franco-Mauritians with an overseas education tend to return to Mauritius. Franco-Mauritian students in South Africa and France almost all expressed their wish to return. Firstly, they often said that they cherished the pleasures of the Mauritian sea, sun and sand and that they had fond memories of a carefree upbringing. Secondly, they stated that they would easily find jobs via their kin network and hardly feared the impact of the meritocratic criteria at all.145 One theory is, therefore, that overseas tertiary education helps when facing change and that the potential brain drain in the case of the Franco-Mauritians is actually inexistent.

The combination of education, upbringing and Franco-Mauritian community life thus continues to have a significant impact on the maintenance of an elite position. A Franco-Mauritian businessman even said, ‘meritocracy is passé, because children are raised by television. Life for many is not about principles but about money. You cannot establish someone’s quality by means of a simple curriculum vitae: you also have to take the family background into consideration.’146 This partly explains the recent promotion of a Franco-Mauritian employee in this man’s business. He said, ‘I know his family is a long established family who has always been business-minded. It is an honest family and [X] is a hard worker, who already works with me. Now he could prove himself by being in charge of a couple of hundred people.’147

145 Bertrand Caudrelier, for example, has a small staff of office workers. In the marketing section his employees have Hindu, Muslim, Creole and Franco-Mauritian backgrounds. Yet, he said, ‘in case a Franco-Mauritian with the right qualities would apply for a job he would be hired, because I consider the cultural closeness an element not to ignore.’
146 Interview: Mauritius, 1 June 2006.
147 Ibid.
5.4 Conclusion

Economic power is of a different order to political power, which largely explains the fact that Franco-Mauritians can still be considered an elite. Firstly, Franco-Mauritian land was never repossessed by others and thus the owners kept control over their original resources. Secondly, money originating from the sugar industry was heavily invested in new economic activities which both contributed to the prosperity of the island as a whole and consolidated Franco-Mauritian (socio-)economic elite position. This happened in close collaboration with other functional elites, the counter-elites that had deprived Franco-Mauritians of their political power: the government needed Franco-Mauritians for revenue and for investing in the local economy as Franco-Mauritians, especially in the first decades of the independent Mauritius, were the only ones who had the means to invest. After having lost their political power, independence was a key event representing a windfall for Franco-Mauritians. In the economic sense, they benefited from the departure of the British: the Franco-Mauritians remained and were smart enough to buy the British assets, thereby reinforcing their economic power. In the long run other Mauritians benefited as well and (relatively speaking) their income even increased vis-à-vis the Franco-Mauritians. The small size of Mauritius and the distance to important markets seem, in this respect, to be to the advantage of the Franco-Mauritians and of the Mauritian economy as a whole: Franco-Mauritians stayed, and reinvested their money in the local economy, while foreign companies would have channelled dividends to overseas shareholders or would have left altogether, like the British did.

Franco-Mauritian economic power facilitated the continuity of an elite position (even though less overwhelming than before). To a certain extent they could prevent others from operating in the local economy and with the IRS-projects their landholdings are a valuable resource in further consolidating economic power. When being challenged, these resources appear useful as well. Obstructing the Sino-Mauritian effort supported by the government is just one example of how these resources are part and parcel of Franco-Mauritian economic power. At the same time, vast landholdings also jeopardise their position as these are to blame for an ambiguous relationship between the public sector and Franco-Mauritians in the private sector, something that will be further analysed in Chapter Eight.

Kin

An increasingly sophisticated economy and widespread access to global markets form a potential challenge to the position of Franco-Mauritians employees in particular. Franco-Mauritian businesses, much more than before, have to take competition seriously in order to maintain their

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own position. Consequently, many more positions than before have already been occupied by non-Franco-Mauritians because Franco-Mauritian proprietors have increasingly let their business interests prevail over ethnic sentiment. Franco-Mauritians face up to this, and so far quite successfully, through their well-established networks, shared social and cultural background and continuing focus on quality education.

A long history of involvement in the private sector has created rich kin networks and consequently assets often remain within the community. Franco-Mauritians are not unique at that but the long tradition of shared economic activities ties the Franco-Mauritians tightly together, unlike other communities in the private sector. This sets them apart from the counter-elites because their much larger shared investments and interlocking directorates reinforce the having of similar interests. Sino-Mauritians, for example, represent a far less close-knit network as different families are less connected. This is partly because many of the Sino-Mauritian businessmen come from modest backgrounds and have created their success from scratch. These people certainly do employ other Sino-Mauritians but not exclusively. In one large Sino-Mauritian business, for example, such practices have led to a varied composition in the upper management: merit is the first requirement and senior-managers come from a variety of ethnic backgrounds.

The functioning of these networks in consolidating an elite position is, as I will elaborate on in the next chapter, reinforced by social and cultural practices, as talking about ‘sportish rules’ and sharing a ‘style of living’ illustratively highlights. Not only do these practices align the interests of proprietors, they also, as has been shown, facilitate the trickling down of wealth into the whole community (even though relatively speaking the community is less wealthy than before): Franco-Mauritians are employed because they are trusted and because the employers know their families. Moreover, Franco-Mauritians can open doors because they always know someone working for another Franco-Mauritian company who can help – via their social network and, for example, through a shared passion for hunting many know each other, that is if there is not a family relationship in the first place. In my opinion, this enhances the strong incentive for Franco-Mauritian employees to be on the same side as their Franco-Mauritian employers. The employees will, in general, support and follow their employers as Franco-Mauritian proprietors grant other Franco-Mauritians an elite position by employing them in well-remunerated positions. Hence, investigating the Franco-Mauritian sense of belonging is part and parcel of understanding Franco-Mauritian business practices and the consolidation of their elite position.