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For all but the most ardent students of Indian Ocean affairs, the series of shifts in Mauritian politics in the past two and a half years are little short of bewildering. The arcane infighting traced below takes place within the context of a vibrant democracy, undergirded by a thriving free press which endeavors to make sense of some of the most complex racial and ethnic politics found anywhere. But even as Mauritius demonstrates to the world that democracy remains an effective and legitimate mechanism for the transfer of power, a range of social, economic, and geopolitical burdens and constraints substantially define and limit the choices available to any leader, party, or coalition, irrespective of professed ideology.

The Political Kaleidoscope

From the late 1930s, the dominant figure in Mauritian politics was Sir Seewoosagur Ramgoolam, a Hindu physician, and the dominant political force was the party that he led, the Labour Party (LP). When Mauritius received its independence from Britain in 1968, Ramgoolam became the new nation's first prime minister, a position he would hold for 14 years. In the first years after independence, Ramgoolam and his party benefited from economic growth rates that averaged 9 percent per annum from 1970 to 1976, the highest growth rates experienced over that period by any developing country with a population of less than 5 million. Employment opportunities increased as an Export Processing Zone was developed, the tourist industry boomed, and the dominant sugar industry flourished. The benefits of this growth were shared with the people via expansion of free education from primary school through college and a generous array of social services. Under Labour Party rule, annual per capita income rose to nearly \$1,000, quite high by Third World standards.

The LP's main competition for the political allegiance of the Mauritian population in the post-independence era was the *Mouvement Militant Mauricien* (MMM),

founded in 1969 by Paul Bérenger, a young Franco-Mauritian. The goal of Bérenger and the MMM leadership was to build a non-ethnic, class-based party. Throughout a stormy decade of organizing, the MMM slowly built an anti-Labour coalition rooted in minority ethnic and religious groups (Indian Moslems, Tamil and Telegu Hindu minorities, Creoles, and some whites). With the end of the economic boom in the late 1970s, the opposition party was also able to attract support from the Hindu working class. Its program of more jobs, an increased minimum wage, increased welfare, and a reorientation of Mauritius' foreign policy from an overtly pro-Western toward a more nonaligned stance had a strong appeal to the young of all communities. From the 1976 election onward, the MMM held the largest block of seats in the Legislative Assembly.

Support for the LP and its coalition partners—the *Parti Mauricien Social Démocrate* (PMSD), a moderate to conservative party based in the Creole community and led by a conservative Creole politician, Sir Gaëtan Duval, and the *Comité d'Action Musulman* (CAM), which represented the more conservative Moslems—eroded in the late 1970s as job creation slowed to the point where the government could not begin to keep up with the employment demands of the country's rapidly growing population, foreign investment slumped, and the sugar industry reeled from a combination of erratic prices and three years of successive cyclones. It was in this setting of economic and political malaise that the June 1982 election took place.

The 1982 Election. The MMM's tactical alliance with the centrist *Parti Socialiste Mauricien* (a Hindu party, led by Harish Boodhoo, that had split from the LP in 1979) ensured that the LP would not get all of the votes from the Hindu majority. Meanwhile, Ramgoolam sought to build an anti-MMM alliance with Duval's PMSD and the CAM.

The major campaign issue was the economy. The MMM pledged that much could be done to improve the

severe unemployment problem through the elimination of waste, nepotism, corruption, and tax evasion. The LP and its partners had little in common other than their opposition to an MMM victory. They waged a fear-mongering campaign that focused on the specter that this would be Mauritius' last free election if the MMM-PSM coalition came to power. To strengthen the government's hand on the unemployment issue, the Reagan administration allowed the Ramgoolam government to sell \$2 million worth of food received through AID in the weeks before the election and use the proceeds to create 21,000 make-work jobs.

When the votes were counted, however, the MMM-PSM alliance had won all 60 contested seats on the main island (42 went to the MMM, 18 to the PSM). A small party based on the island of Rodrigues, the *Organisation du Peuple Rodriguais* (OPR), won the only other two elected seats. In keeping with the tradition that the prime minister should come from the Hindu majority, the premiership went to Aneerood Jugnauth, a London-trained barrister. Boodhoo became the deputy prime minister. Bérenger, the secretary-general of the MMM and the leader of the alliance, took on the finance portfolio. Bérenger's first act was to fire the 21,000 people who had just been employed. "There is no money and there are no jobs," he said, "and it would be criminal to maintain the fiction of work being available."

Despite the various ideological stances taken by the competing parties, the main reason the LP lost the election was the effect of the economic slump on the work force and the communication gap between an 81-year-old politician and an overwhelmingly youthful electorate. It is difficult to devise an adequate class analysis of the various coalitions because of the simultaneous appeal made to class, caste, religious, and communal interests. Electoral and political alliances depend as much upon personal, cultural, and communal factors as ideology.

The MMM-PSM Coalition. Despite its overwhelming victory and the complete repudiation of LP stewardship, the new government held together only nine months. At the heart of its tribulations, just as had been the case with the LP, lay disagreements about how to handle Mauritius' economic problems.

By October 1982, Bérenger and Boodhoo were moving into a sharp power struggle. Although both parties had run on the promise to increase social services, Bérenger concluded soon after taking office that the MMM-PSM coalition had inherited an economy that was wholly dependent on the International Monetary Fund for balance-of-payments support. Consequently, he reasoned, Mauritius had little choice but to support many of the economic reform measures that had been suggested by the IMF and had in part been implemented by the Ramgoolam government. Measures that Bérenger came to advocate included a 5 percent sales tax, a cut in the sugar export tax to induce modernization and rationalization on the sugar estates, restraints on education and social welfare benefits, and a curbing of subsidies on such basic staples as rice and flour.

This was too much for Boodhoo, who was particularly opposed to the removal of rice subsidies and to holding the line on wage increases at a level well below the inflation rate. Joined by four ministerial colleagues, he resigned and withdrew the PSM from the coalition.

The measures advocated by Bérenger—especially limiting subsidies on basic foodstuffs and the sales tax—alienated constituencies important to both the MMM and the PSM. His rejoinder to charges that he was renegeing on 1982 campaign promises was that no socialist program was realistically possible until Mauritius could rebuild its economy sufficiently to release it from IMF dependence.

Jugnauth stood with Bérenger through the October crisis, but differences within the coalition were not really resolved, and a second crisis erupted in March 1983. This time the MMM itself split, with Bérenger and 11 of his colleagues resigning from the cabinet. Again the differences were primarily related to economic policy. Bérenger and his allies wanted to pursue the policies of economic orthodoxy and sought long-term commitments to this approach from their MMM colleagues. But Jugnauth, like Boodhoo and the PSM in October, was becoming increasingly concerned about his Hindu constituency. Charges that Bérenger was pro-white (he had reduced the export duty on sugar, which helped the Franco-Mauritian sugar barons) and pro-Creole (he had suggested that Creole should become the national language of Mauritius) added a new dimension to the quarrel. These ethnic and racial issues were secondary, however, to the differences about economic policy. With the Legislative Assembly now so divided that no one could command a parliamentary majority, a new election became inevitable.

The August 1983 Election. This election found a new array of parties, united primarily in their opposition to the MMM. The main coalition partners were the *Mouvement Socialiste Militant* (MSM), a party formed under the leadership of Prime Minister Jugnauth after he left the MMM (or the MMM left him—the details of the split are not quite clear); Boodhoo's PSM, now fully integrated into the new MSM; and the Labour Party-PMSD partnership so decisively defeated by Jugnauth and the MMM only 14 months previously. Perhaps only in Mauritius could such a grouping (Jugnauth, a pragmatic socialist; Ramgoolam, a pro-Western mixed-economy man; Boodhoo, an admirer of Gandhian moralism; and Duval, a right-of-center politician on both domestic and international affairs) find common cause.

Against this coalition the MMM stood alone, under the leadership of Bérenger, who was now committed to becoming prime minister if the MMM prevailed. The MMM base remained in the lower castes of the Hindu population and in the other minority populations. Ironically, Bérenger, despite his early reputation as a radical, was also favored by many of the wealthy Franco-Mauritians. Who else would have the courage to try to put the country's economic house in order?

After an unusually bitter campaign dominated by racial, ethnic, and ideological charges, the MSM-led alliance prevailed, winning 41 seats as opposed to 19

claimed by the MMM. Once the eight "best loser" seats were allocated (under a constitutional provision to ensure adequate representation of all Mauritian communities), the alliance held 46 seats and the MMM 22; 2 additional seats were held by the OPR. The distribution of seats, however, did not accurately reflect the distribution of votes. The MMM by itself claimed 210,000 votes (46 percent of the total), the highest total ever received by a single party in any Mauritian election; the parties of the alliance shared 239,000 votes or 52 percent, with the Rodrigues party getting the remainder.

The election was a personal victory for Prime Minister Jugnauth and represented something of a comeback for Duval, who became deputy prime minister, and Ramgoolam, who was soon to be named governor-general. The new cabinet was dominated by the MSM (which had acquired 30 seats in the Legislative Assembly as opposed to the LP's 12 and the PMSD's 4). Bérenger was the big loser, of course; he even lost his own seat and was only returned to parliament to become leader of the opposition through the best-loser mechanism.

Recent Developments. Despite its convincing victory at the polls, the new governing alliance soon came under considerable stress. The MSM, LP, and PMSD have fought among themselves, run into problems in the Legislative Assembly, and provoked intense societal criticism by their handling of certain touchy issues.

In September 1983, the cabinet approved a draft law that would end the role of the British monarch (represented by a governor-general) as nominal head of state and make Mauritius a republic. The government's proposals would have created the posts of president and vice-president, and would have created a Supreme Court to replace the current arrangement whereby final legal appeals are to the Queen's Privy Council in London. (Mauritius would, however, remain a member of the Commonwealth.) The government needed the assent of three-fourths of the Legislative Assembly for the measure to become effective, but fell six votes short of the required minimum in a December 1983 vote. Ramgoolam was sworn in as governor-general.

At the same time that the republic issue was being aired, the relationship between the LP and the MSM became strained. At issue were the interrelated questions of who would control economic policy-making and the triangular struggle between the MSM, the LP, and the MMM over political support from trade unions and local organizations. These disputes surfaced in February 1984 when Jugnauth dismissed Sir Satcam Boolell, who had replaced Ramgoolam as the Labour Party leader, from his post as minister of planning and economic development. The LP executive committee then endorsed a measure to withdraw from the alliance but the committee's action was repudiated by 11 of the LP's sitting deputies who decided to continue to support the alliance. Boolell was replaced as minister by another member of the LP.

In sum, the Labour Party is now divided into two factions. Jugnauth would like it to dissolve into the MSM, and this view is apparently supported by Ramgoolam.

Mauritian Miscellany

Capital:	Port Louis	
Population:	1,000,000	
Ethnicity:	Hindu	52%
	Creole (mixed African-European)	25%
	Moslem	18%
	Chinese	3%
	White (Franco-Mauritian)	2%
Area:	720 square miles. Mauritius is the third most densely populated political entity in the world, exceeded only by Hong Kong and Bangladesh.	
Sugar Production:	1980	475,000 tons
	1981	575,000 tons
	1982	688,000 tons
	1983	610,000 tons
Diversity:	There are 34 political parties, 255 trade unions, 400 bus companies, and 8 national daily newspapers in Mauritius. The government radio broadcasts in 12 different languages.	
Role in Africa:	Although the island nation of Mauritius is located some 1,000 miles off the east coast of Africa, it is a member of the Organization of African Unity and former Prime Minister Sir Seewoosagur Ramgoolam served as OAU chairman in 1976-1977.	
Political History:	Former British crown colony. Became independent member of the Commonwealth in 1968.	

Boolell and other aspirants for LP leadership disagree, however, arguing that the LP, with its long period of leadership and strength in local and trade union organizations, should not abandon the field to the MSM or the MMM. The LP is clearly being pulled in two directions—toward incorporation within the MSM or toward a complete split with the alliance so that it can more effectively compete with the MMM for trade union allegiance.

The general air of frustration within the government camp as it surveys an array of difficult problems may explain the abortive effort during the first half of 1984 to curb the vibrant free press for which Mauritius is justly renowned (8 daily newspapers and 30 weeklies published in a variety of languages). In March 1984, draft legislation was introduced that would have prohibited "unbecoming" press reports about members of parliament and parliamentary affairs and would have required all newspapers to post a deposit of \$40,000 to be held as bond against damages in the event of libel suits. The government's rationale was that too many papers sued successfully for damages had ceased publication without paying, only to reappear months later under new names.

This legislation, which was to go into effect on July 1, 1984, provoked a storm of protest. Aside from the basic freedom of the press issue, it was argued that most of Mauritius' daily newspapers would go out of business if they had to post a \$40,000 bond. Forty-three journalists, including former foreign minister

Jean-Claude de l'Estrac, were arrested in a demonstration outside Government House. The Commonwealth Press Union and other international bodies added their voices to the general criticism that this was an unwarranted attack on press freedom and an attempt by the MSM to muzzle political debate.

Slowly, the government backed off. First, the proposed bond was halved to \$20,000. Then a joint government-press commission was established. In the end, the commission asked the government to drop the bill and not to press charges against the arrested journalists. The government agreed and the confrontation with the press was ended.

Elements of Continuity. Despite the rancorous political infighting among so many Mauritian political parties, and the religious and ethnic appeals that often pass for political debate in the country, it is important to note that each post-independence government to date, regardless of ideological leanings, has continued the pro-Western, pro-capitalist economic policies of its predecessors. Once in power, governments find that the hard realities of Mauritius' economic dilemma sharply limit options.

Why Economic Issues Are Overriding

The fact that there is no other issue in Mauritian politics as important as the state of the economy is illustrated in each of the changes of government of the 1980s. As noted earlier, economic malaise was central to the end of 14 years of Labour Party rule in 1982; economic measures proposed by Finance Minister Bérenger during the short period of MMM rule were key factors in the collapse of the MMM-PSM coalition; and economic issues dominate the policy agenda of the current governing alliance.

In many ways, the problems of the Mauritian economy in the 1980s are a classic case study in the revolution of rising expectations. For several years after independence, the economy grew at about 9 percent per annum. There was a corresponding growth in social service expenditures, and living standards improved substantially. Per capita income is now in the neighborhood of \$1,000 per year; free education is provided and infant mortality rates have fallen sharply. Estimates of the literacy rate in Mauritius run between 70 and 80 percent. Most houses are made of concrete blocks and 90 percent of them have electricity.

By the late 1970s, however, the bloom began to come off the Mauritian rose. As the worldwide recession deepened, job creation slowed and foreign investment declined. Simultaneously, for a variety of reasons, the sugar industry slumped. With the average price of imports rising twice as fast as the average price of exports, Mauritius has run a large balance of payments deficit for the past eight years. The need for foreign exchange to finance this deficit has changed Mauritius from one of the most solvent countries in the world to one of the most indebted in relation to the size of its economy.

The core problems can be summarized as follows:

(1) **Unemployment.** In a population of 1 million, there are approximately 75,000 unemployed, or about

20 percent of a work force of 360,000. And despite the country's relatively high per capita income, government figures suggest that nearly 20 percent of the population lives at or below the poverty line. The population is a very young one; even though birth rates have dropped from 3.1 percent in 1965 to 1.4 percent in 1983, some 10,000 to 12,000 school leavers will be entering the work force each year for at least the next two decades. Where (or whether) they will find work is far from clear.

What to do? The sugar industry is the single largest employer on the island, supplying jobs for about 50,000 people. But the industry is, if anything, shrinking and is unlikely to generate new employment prospects. With more than 90 percent of the arable land on the island under sugar cultivation, there is little flexibility with respect to agriculture-related job formation. The situation in the public sector is no better. Budgetary shortfalls and indebtedness fundamentally constrain the government in terms of public sector spending for the purpose of job creation. Essentially, there are two plausible solutions to these stark realities—job creation in the private sector domestically and the "export" of labor internationally. Each has its promise and its limitations.

Perhaps the most promising avenue for domestic job creation lies in small and medium size industries, especially textiles and electronics. The Export Processing Zone (EPZ) established in the 1970s developed a substantial export and import substitution manufacturing sector. By the end of the decade, jobs in the EPZ neared 25,000, making it the second largest sector of employment in the country. The success of the EPZ lay in the fact that it offered tax holidays for foreign investors and customs duty rebates on imported raw materials along lines pioneered in Taiwan and elsewhere. Much was done in the area of upgrading cotton and woolen knitwear, and a mutually rewarding arrangement was made with South Africa to upgrade and re-export goods under a "Made in Mauritius" label. In recent years, however, the EPZ has suffered from the wave of protectionism in the developed countries that has limited entry of Third World goods. Political uncertainty in Mauritius may also have slowed foreign investment.

The current strategy of the government with respect to the EPZ is an interesting one. Many missions have been sent to the Far East looking for foreign investment, and a Small Industries Development Organization has been established to bolster these efforts. Particular attention is focused on Hong Kong, where Mauritius hopes to lure manufacturers worried about the future of the crown colony when the British lease on the New Territories expires. Mauritius can offer potential investors a skilled and educated labor force willing to work for wages one-fourth those paid in Hong Kong. In addition, Mauritian woven garments enter the EEC duty-free and quota-free, whereas Hong Kong, Singapore, and South Korea pay a 17 percent duty.

A second line of attack pursued by the current government is the idea of "exporting" labor. Foreign Minister Anil Gayan has suggested that as many as

20,000 Mauritians could be employed in Saudi Arabia in the next two years. Deputy Prime Minister Duval has traveled extensively in the past year to the Gulf and elsewhere searching for countries and companies that would employ Mauritian workers. Although few job opportunities have been developed so far, the long-range prospect for the export of labor is not unpromising. Mauritian workers are a diversified group—generally well-educated, multilingual, and possessing a range of skills.

(2) **Sugar Blues.** The Mauritian economy depends on this single crop for between two-thirds and three-fourths of its foreign exchange. But sugar is currently selling at well below its cost of production and only the 500,000 tons purchased by the European Economic Community under the Lomé Convention's sugar protocol at a price more than two and a half times the world price keeps the industry afloat.

The consequences of the arrangement with the EEC are multifold. Without it, government revenues (much of which come from a 23 percent export duty on sugar) would fall drastically. On the other hand, the arrangement is a powerful disincentive to crop diversification. With over 90 percent of arable land under sugar, and most of the annual crop sold at the protected price, few producers are looking for alternatives.

The government recognizes the dangers. Lomé may not go on forever, and the worldwide sugar glut limits prospects for export expansion. For example, Mauritius' hopes to crack the U.S. market in a big way were dashed in 1981-1982 when the U.S. Congress enacted legislation protecting domestic beet and cane growers and limiting sugar imports from Mauritius to no more than 1.1 percent of total U.S. sugar imports. (An additional blow was the placement of a limit on the number of sweaters of Mauritian origin that can be imported into the United States in a given year.)

Considerable attention has been given in recent years to how and whether the sugar industry should be restructured. A Yugoslav economist, Dragoslav Avramovic, headed a commission which recently reported to the government on problems within the industry. The Avramovic Commission argued that the capital stock was outmoded on a number of estates and that replacements were long overdue. The Commission also argued that 21 mills were too many for the amount of sugar produced and suggested that their number gradually be reduced to 15. The Commission further recommended that the sugar companies, all but one privately owned, should be allowed to keep more of their profits to enable them to modernize; and the government was urged to drop the export tax, which yields some \$30 million per year.

The government is moving to implement some of the recommendations. In May 1984 a new Sugar Authority was established which will give the government greater ability to monitor the industry. The legislation does not allow direct state control (favored by the MMM), but, as Prime Minister Jugnauth pointed out, Mauritius' dependency on the IMF and the World Bank simply precludes strong government authority over private in-

dustry. Nonetheless, the Authority will be able to give directives to all parastatal and private organs linked to the sugar industry, including the syndicate that markets sugar abroad. Beyond this, the government seems unlikely to support the abolition of the export tax whose revenues it deems essential to its development plans. What is more likely to happen is that some mills will be allowed to close and help will be offered to some companies with outdated capacity.

(3) **Debt.** Fully one-third of the current budget of Mauritius is spent on debt service. Because of balance of payments difficulties since 1979, the country has become highly dependent on the International Monetary Fund for balance of payments support. The problem is compounded by the fact that the debt is denominated in U.S. dollars and has therefore appreciated rapidly as the dollar has strengthened.

Like many other Third World nations, Mauritius was caught in a bind by the worldwide economic downturn in the late 1970s. The government, whose expenditures had grown rapidly during good times, was now confronted with declining revenues from, and stagnation within, the key sugar, tourist, and manufacturing sectors. To make matters worse, the cost of such essential imports as foodstuffs, manufactured goods, and energy kept right on climbing.

Over the past five years, Mauritius has had successive standby arrangements with the IMF for balance of payments support, has received further loans from the World Bank, and has had to take explicit guidance from the IMF on all matters of domestic fiscal policy. A 1983 comment by Bérenger that Mauritius had become a "colony" of the IMF may be an overstatement, but there can be no doubt that the IMF exercises strong influence over government economic policy. The focus of IMF and World Bank demands are to restore Mauritian competitiveness in world markets (largely through wage restraint and devaluation) and to restrain government spending. Other efforts are geared to support for private sector development.

In pursuit of these objectives, the IMF demanded and got a 30 percent devaluation of the rupee in 1979, and a 20 percent devaluation in 1981. In return for a \$15 million structural adjustment loan in May 1981, the World Bank demanded severe wage restraint in public sector employment, scaled-down government investment, a stimulation of industrial output, and the diversification of agricultural production. The loan also included funds for the preparation of a national energy plan, an assessment of the tourist industry, and the strengthening of the government's debt management program.

In May and June 1983, just prior to the election, the IMF, the World Bank, and an international consultative group combined to provide \$150 million in loans to Mauritius. The \$54 million provided by the IMF for stand-by credit to support the country's economic recovery program was the fourth loan issued by the IMF to Mauritius. These loans add up to 122 percent of Mauritius' quota and bring its obligations to the Fund to \$164.8 million. In quota terms, this is the third-

highest IMF debt in the world. As of mid-1983, Mauritian indebtedness had grown to 8 billion rupees, double the country's annual exports. The indebtedness per inhabitant was \$727.

In December 1983, the World Bank announced its approval of a second structural adjustment loan totaling \$45 million. This loan was the outcome of 15 months of painstaking negotiations between the Bank and two different finance ministers, Paul Bérenger and Vishnu Lutchmeenaraidoo. The loan has two parts, \$40 million in balance of payments support and \$5 million for technical assistance. The purposes were similar to those of earlier loans—to strengthen competitiveness in export markets, attract foreign investment and technology, and encourage private investment. *The Wall Street Journal* reported in July 1984 that the government was in the market for \$40 million more in loans from U.S. banks.

The 1983-1984 and the 1984-1985 Mauritian budgets, both of which received prior approval from the IMF, reflect the constraints under which Mauritius is operating. The 1983-1984 budget, presented in October 1983 by Lutchmeenaraidoo, included measures to encourage investment and to stimulate export-led recovery. Negotiations with the IMF led to an agreement to hold the budget deficit to \$122 million. A 20 percent tax allowance for foreign investors was announced and manufacturers were allowed easier access to foreign exchange. The main new features of the 1984-1985 budget, presented in June 1984, are a 10 percent surcharge on imports (to restrain import growth) and a special new tax incentive to help companies producing manufactured goods for export. They will now get a 2 percent reduction on their tax bill for each 10 percent of turnover exported. The budget also provides for a smaller deficit of only \$49.8 million, well below IMF demands. This will please the IMF, which still holds \$17.3 million that has not been drawn from the May 1983 loan.

Mauritius is doubtless making some progress in rebuilding its economic fortunes. But even this brief survey of its varied and complex problems suggests that achievement of solvency and self-sufficiency will be a lengthy process.

Foreign Policy Since Independence

Throughout its post-independence history, Mauritius has defined itself as a nonaligned nation. Over the years, all of its major parties—the LP, the PMSD, the MMM, the MSM, the PSM—have claimed to be “socialist,” though their interpretation of that concept has often varied and has not prevented any of them from maintaining working relationships with major capitalist countries and institutions. When in the role of policy-makers, all parties have had to bow in some measure to the intrinsic constraints of geographic isolation, overpopulation, economic realities, and regional geopolitics.

There are several continuities in Mauritian foreign policy. All governments have sought to maintain warm relations with India, from which most of the Mauritian population derives. This has posed few problems, since

the cultural links between the two nations and India's nonaligned stance make them compatible allies. Both countries have long shared commitments to the Indian Ocean Peace Zone idea and India has vigorously supported Mauritian claims to sovereignty over the Chagos Archipelago (see below).

Mauritius has also sought to maintain close ties with both its former colonial mentor, the United Kingdom, and with its cultural patron, France. This too has largely been achieved by all Mauritian governments, as manifested in the various aid relationships with both countries and the important links to the European Economic Community via the Lomé Convention.

Mauritius has also sought to develop good relations with its neighbors in the Indian Ocean region. This arena was of particular interest to the MMM government, which in December 1982 joined with the Seychelles and Madagascar to establish an Indian Ocean Commission (IOC). The objective of the IOC was to develop closer trade ties where possible and to coordinate foreign policies.

It was initially expected that the IOC would evolve into a progressive political group, actively pursuing nonaligned issues in various international forums. Changes in orientation in both Mauritius and the Seychelles, however, have led toward a more conservative stance. In the past year, for example, all three IOC countries have allowed U.S. naval vessels to enter their ports. Just what, if anything, will really come out of the IOC remains to be seen. Mauritius is now pushing the idea that the Comoros should join, but Madagascar is opposed. The Seychelles is willing to have France join, but Mauritius is cool to that idea. All the IOC countries are warily watching the expansion of South African influence in the region, the debate in France over the future of Mayotte, and the steady build-up of U.S. naval power throughout the Indian Ocean.

Other aspects of foreign policy, including active membership in the Organization of African Unity since 1968, also have a broad base of national support. Of particular importance of late, as previously noted, has been the drive for new investment and employment opportunities in the Far East and the Gulf.

There are, however, two areas of Mauritian foreign policy that are rather more controversial, both domestically and internationally. On these two issues—Diego Garcia and relations with South Africa—Mauritian leaders have had more disagreements and more latitude for choice. It is generally with respect to how Mauritius is viewing these two matters that analysts have tended to judge the ideological leanings of any particular Mauritian government.

Diego Garcia. In 1965, while in London for a constitutional conference, Ramgoolam (then premier of not-yet-independent Mauritius) acquiesced to a somewhat ambiguous agreement that disengaged the Chagos Archipelago, which had been administered from Port Louis during the colonial era, and made it part of a new entity called the British Indian Ocean Territory (BIOT). The Chagos group (located some 1,200 miles to the northeast of Mauritius) included the island of

Diego Garcia, which Britain subsequently leased to the United States for a period of 50 years; the island has since been developed by the U.S. military into its most important multipurpose Indian Ocean base.

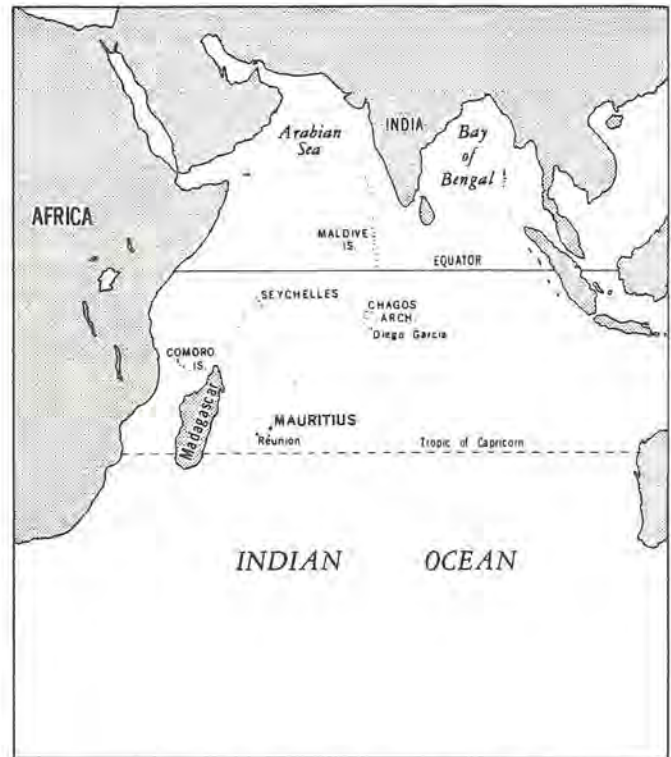
There are two aspects of this story that in recent years have particularly agitated various Mauritian governments. One has to do with the question of sovereignty over Diego Garcia; the second has to do with the question of compensation for the former residents of Diego Garcia, who were pressured in a variety of ways into emigrating to Mauritius beginning in the late 1960s.

The campaign for Mauritian sovereignty over the Chagos Archipelago developed in the 1970s and was a major issue in the election campaign of June 1982. The issue grew in conjunction with the efforts of the Non-aligned Movement and the United Nations grouping of the littoral and hinterland nations of the Indian Ocean region to declare the Indian Ocean a Zone of Peace. The Nonaligned Movement has never totally agreed on a definition of a "Zone of Peace," but the notion that superpower military activities and bases in the region should be curtailed has always been a central theme.

When the MMM took over in June 1982, it committed itself to press hard on the Diego Garcia issue. Although the government fell before any action could be taken, the MMM asserted that it would carry the Mauritian case for sovereignty to the International Court of Justice. Once the sovereignty issue was settled, it hoped to pursue negotiations with the United Kingdom and the United States for the dismantling of the base.

The MMM's desire to push forward on this issue was strongly supported by the Nonaligned Movement and by the Organization of African Unity. The 1980 OAU summit in Sierra Leone adopted a resolution denouncing the U.S. military presence on Diego Garcia as a "menace to Africa and to the Indian Ocean Zone of Peace," and demanded that the atoll "be unconditionally returned" to Mauritius, of which it "has always been an integral part." At the Nonaligned summit in New Delhi in March 1983, the delegates unanimously expressed their "full support for Mauritian sovereignty over the Chagos Archipelago" and declared that the "establishment and strengthening of the military base at Diego Garcia has endangered the sovereignty, territorial integrity and peaceful development of Mauritius and other states." In arguing its case for the return of Diego Garcia, the MMM expressly rejected the 1965 separation of the Chagos from Mauritius, thereby following the line established in UN General Assembly resolutions 1514 (XV) and 2066 (XX), which reject the removal of any territory from colonial dependencies prior to independence.

The rhetoric of the present Jugnauth government on Diego Garcia is similar to that of its MMM predecessor, but indications are that the current government will be considerably less aggressive in pursuing the issue. Although sovereignty is still claimed, the idea of taking the case to the International Court of Justice appears to have been pigeonholed. Moreover, a Select Committee of the Legislative Assembly on the Chagos issue reported recently that "the deal made with Britain was



formally accepted." (In 1965 Britain had negotiated a payment of £3 million in development aid in connection with the transfer.) A ban imposed by the MMM government against Mauritian workers taking jobs for the U.S. military on Diego Garcia has been lifted; some 250 Mauritian laborers employed during the construction phase have returned to Mauritius, but a new group of around 25 maintenance workers has replaced them.

The second aspect of the Diego Garcia story—what to do about the people removed from the island (described by the British to American negotiators in the 1960s as around 700 "non-indigenous" workers, but now claimed by their advocates to be 900 "Ilois" families)—also continues to concern all Mauritian governments.

The United Kingdom made an initial compensation payment in 1973 of £650,000 to the Mauritian government for the resettling of the displaced residents; however, this was not distributed to the Ilois until 1978. In July 1982, under renewed pressure from both the LP and the MMM, Britain signed a new agreement with the Mauritian government to pay an additional £4 million as "full and final settlement of all claims whatsoever by or on behalf of the Ilois." This sum was to be placed in a special trust fund for the Ilois and in addition the Mauritian government agreed to provide land for the Ilois up to the value of £1 million. These arrangements meant that each Ilois family would get between £4,000 and £4,500 in return for renouncing all further claims to the Chagos. The agreement also left £250,000 in trust to enable the Mauritian government to indemnify Britain should any individual Ilois successfully press further claims.

Despite this "final" agreement, the Ilois have con-

tinued to press their claims. In February 1984 a memorandum was presented to the U.S. embassy in Port Louis asking President Reagan and the U.S. government for a further \$6 million to aid in their resettlement. The letter noted the large expenditures made by the United States on Diego Garcia (probably over \$1 billion since the late 1960s) and claimed that "no amount of financial compensation will ever make up for the physical and mental suffering we have known since 1965." Washington's position has consistently been that the United States is in Diego Garcia as a lessee, and that all questions of compensation must be handled with the United Kingdom, which retains formal sovereignty.

Relations with South Africa. Policy toward South Africa runs on two tracks. As an active member of the Nonaligned Movement and of the OAU, the government of Mauritius follows the obligatory anti-Pretoria stance of these organizations. Moreover, rejection of apartheid is implicit in the path that Mauritius has followed in accommodating the racial and ethnic differences in its own richly diverse society. On the other hand, the role South Africa plays in Mauritian tourism, manufacturing, and trade makes it all but impossible for any Mauritian government to contemplate more than rhetorical support of boycotting the Republic.

Although Mauritius did not have diplomatic ties with Pretoria during the Ramgoolam period, there were no restrictions on promotion of tourism; indeed, approximately one-half of all tourists visiting Mauritius each year come from South Africa. The LP government also extended landing rights to South African Airways (and flew Air Mauritius into Johannesburg) and traded openly with South Africa, even though the trade ran at least 10-to-1 in South Africa's favor.

During the brief period of MMM rule, the government adopted a somewhat harsher rhetorical stance. There were no restrictions on trade or tourism, however, and the MMM government was criticized for allowing a South African-based business group to buy two hotels that were in danger of going under.

The current Jugnauth government has continued to deal equivocally with the South African issue, reflecting the divisions within its coalition. The governor-general's September 1983 "speech from the throne" pledged continued support to the African National Congress and to SWAPO. Foreign Minister Gayan has reaffirmed that Mauritius will not establish diplomatic relations with the Republic.

The fact remains, however, that Mauritius, like the other island nations of the Indian Ocean as well as South Africa's mainland neighbors, finds it difficult to resist being drawn into the Republic's economic orbit (see "Destabilization and Dialogue: South Africa's Emergence as a Regional Superpower" by John de St. Jorre in *CSIS Africa Notes* no. 26, April 17, 1984). Among the possible new links recently discussed have been employment opportunities for Mauritians in South Africa, duty concessions to help develop new markets

for Mauritian exports, a health-care agreement providing for use of South African hospitals when appropriate facilities are not available in Mauritius, and a line of credit reported to be as high as \$30 million.

What Lies Ahead?

For social scientists interested in the interrelationships of race, ethnicity, and religion, Mauritius provides a unique laboratory for observing the process of conflict and accommodation. Its commitment to democracy and a free press set a commendable standard for the Third World. Nevertheless, foreign and domestic policy-making under any plausible government is likely to have many continuities, reflecting the many constraints under which Mauritius must operate.

Economic necessity impels Mauritius to cultivate any and all powers that might provide aid, investment, jobs, or tourists. Realities such as South Africa's emergence as a regional power and the priority accorded the Indian Ocean in U.S. geostrategic planning make it unlikely that Mauritius can do much more than take a rhetorical stance on either Diego Garcia or apartheid. Such developments as the quixotic expulsion of four Libyan diplomats from Port Louis in January 1984 are more reflective of a judicious accommodation to the sensitivities of Washington and Riyadh than of any authentic revulsion toward Colonel Qaddafi's admonition to Christians to read the Koran or to irregularities associated with a proposed \$1 million gift from the city of Tripoli to the city of Port Louis. Mauritius is a small and vulnerable nation located in a region that has taken on new strategic importance in the 1980s, and its options are correspondingly limited.

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