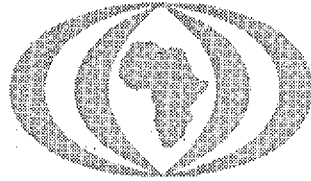


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**Brief Report No. 41**

**MAURITIUS : RECENT HISTORY AND CURRENT DEVELOPMENTS**

The small, strategically located Indian Ocean island of Mauritius changed government on 11 June, 1982. Press reports indicated that the new government might disrupt the relations between Port Louis and Pretoria.

This Brief Report prepared by the Research Staff at Jan Smuts House focusses on the following :

- 1) Background Information and Statistics
- 2) Recent Political Developments
- 3) Recent Economic Developments
- 4) Relations with South Africa
- 5) The Question of Diego Garcia.

## 1. BACKGROUND INFORMATION AND STATISTICS.

Political Status: Formerly a French colony, later captured by the British in 1810. It gained independence on 12 March, 1968.

Present Ruling Party: Left-leaning coalition comprising the Mouvement Militant Mauricien (MMM) and the smaller centre Parti Socialiste Mauricien (PSM). The coalition won 60 of the 62 contestable parliamentary constituencies at the June poll. The new Prime Minister is Mr. Anerood Jugnauth, but the driving force behind the MMM is a young Franco-Mauritian, Paul Bérenger, who is the Finance Minister.

Form of Government: Vested in the British Monarch as Head of State represented by an appointed Governor-General. Legislative power rests in the unicameral Legislative Assembly with 71 members comprising the Speaker, 62 members (elected by universal adult suffrage for a five year term) and 8 "additional" members (these are the most successful losing candidates of each ethnic community). The Governor-General appoints the Prime Minister. The Council of Ministers (cabinet) is responsible to the Legislative Assembly.

Defence: No standing defence force, only a small police mobile unit for internal security (no figures available).

Population: 995 000 (1980 estimate)

Size of main Island: 60 km by 45 km.

Other Islands: The island of Rodrigues and two dependencies (Agalega and Cargados Carajos Shoals) are part of Mauritian sovereignty. Mauritius claims sovereignty over Tromelin (French) and Diego Garcia (British).

Languages: English and French (official), Creole (lingua franca), Hindu, Urdu, Chinese, Tamil, Telegu, Maharati.

Currency: R1 = Rs. 9,0 (Mauritian Rupees)

Trade: Exports Rs. 2356,2 million (1979)  
Imports Rs. 3451,5 million (1979) (South African share Rs. 315 million).

Budget: Rs. 2052 million revenue (1980/81)  
Rs. 2539 million expenditure (1980/81)  
Per capita income Rs. 6300 (1982) approx.  
G.D.P. Rs. 6623,1 million (1978)

Exports: Sugar, Molasses, Tea, Clothing.

Imports: Manufactured goods, food, machinery and transport equipment, oil and oil products.

## 2. RECENT POLITICAL DEVELOPMENTS.

The MMM was founded in 1969 by Paul Bérenger, a veteran of the 1968 Paris riots, who became its Secretary General. The Party refused to conform both to the established politics of communalism and the traditional pattern of ethnic voting.

In the June '82 campaign, the MMM toned down its radical stand of earlier years enabling it to capture the middle ground of Mauritian politics. The electoral platform was broadly-based socialism; promising increased employment, increase in the minimum wage, increased welfare benefits, the nationalisation of key sectors of the economy and a re-orientation of foreign policy.

In order to allay fears that the MMM was anti-Hindu, it formed an alliance with the Parti Socialiste Mauricien (PSM), a small Hindu party which split from the Labour coalition in 1979. This was an important step, for Hindu people make up more than half of the electorate.

Other political parties are traditionally based on religion and ethnicity, but their degree of importance varies. One such party, which it was thought might have had significant support from the electorate, was Sir Gaetan Duval's party, the Parti Social Democrat Mauricien (PMSD). This Party favoured even closer links with South Africa than did the previous Ramgoolam government, but failed to win a single seat. The only two members of the new Parliament not belonging to the alliance are representatives of a local party on the Island of Rodrigues.

The defeat of the former Prime Minister, 82-year old Sir Seewoosagur Ramgoolam, had been a possibility since the previous general election. In 1976, the MMM emerged as the biggest single party, with 34 of the Legislative Assembly seats. However, it was kept out of power by a coalition of Ramgoolam's Labour Party and Duval's centre Parti Social Democrat Mauricien (PMSD). From 1976 Mauritian politics has been marked by a deteriorating economy, increasing joblessness, corruption, ineptitude and the internal squabbles of Ramgoolam's government.

Towards the end of the election campaign, Ramgoolam attempted to brand the opposition parties as "communists" who would transform the country into a One-Party State and who would pursue massive nationalisation. The MMM rejected this position, and assured the electorate that, with the exception of two major sugar estates, no private enterprise would be nationalised.

## 3. RECENT ECONOMIC DEVELOPMENTS.

Mauritius is well ranked among the developing countries of the Third World; with a per capita income of approximately R700 and a high literacy rate. The estimated population growth is 1,2 per cent per annum, and the population density of 489 per sq. kilometer makes it one of the highest in the developing world.

These population statistics also mean that unemployment is high with between 70 000 and 80 000 out of work. There are currently some 3 000 unemployed graduates and some 35 000 school leavers

enter the job market annually. The Island's chief crop is sugar and the recent depressed world sugar prices have done great harm to the economy. Twenty-eight per cent of the labour force is involved in sugar growing and refining, and sugar generates 75 per cent of the country's foreign exchange earnings. Despite some benefits under the European Community's Lomé Convention, which allows Mauritius to sell up to 500 000 tons of sugar in Europe above the world market price, profits continue to be low, and this year may not cover production costs.

The Ramgoolam Government tried to diversify the economy, through the development of tourism and the formation of the Export Processing Zone (EPZ). More than 100 000 tourists visit Mauritius each year, many from Europe and South Africa, but tourism alone is inadequate to solve the structural problems in the economy.

The EPZ was aimed at developing labour intensive processing of imported goods for re-export. Within the EPZ the former government offered both local and foreign investors attractive incentives including: tax holidays, exemption from import duties on raw materials and capital goods, free repatriation of capital and profits, cheap electricity, etc. Initially the scheme was successful, for it created 22 000 jobs. By 1981, however, most EPZ industries were experiencing difficulties, some had even closed down because of the high cost of labour and raw materials.

Other economic pointers are: a national debt of Rs 4 billion (1981-82); an estimated budget deficit of Rs 1 billion (1981-82); inflation running at 50 per cent, and further complications arising from a 30 per cent devaluation ordered by the IMF as a condition for a loan in 1979. In 1981, the IMF again attached a 20 per cent devaluation condition on a further loan.

4. RELATIONS WITH SOUTH AFRICA.

The twin issues of relations with South Africa and the future of Diego Garcia (the atoll in the Chagos archipelago), are the most sensitive foreign policy issues. Under Ramgoolam, Mauritius had been careful to cultivate good relations with a variety of states, including South Africa. Quite clearly the country needs the revenue from the estimated 30 000 South African tourists who visit annually, and the revenue from South African transit aircraft and South African trade.

Early in the election campaign, the MMM uttered hostile statements towards Pretoria, but as the campaign deepened it moderated this stand, probably realising South Africa's economic importance to Mauritius. After the election, the government assured the business community and foreign investors (especially South Africans) that they would continue to be welcome in Mauritius. Bérenger, in particular, argued that the Mauritian experience could demonstrate to South Africans how all shades of people can live together.

On the practical level, he assured Pretoria that the SAA landing rights would remain in force. There seems little doubt that trade, too, will not be adversely affected for, given the international economic climate, Mauritius cannot afford to stop trading with South Africa.

It is, however, certain that the MMM will join the more militant critics of Pretoria at the O.A.U. and U.N. Mauritius will probably cultivate close ties with the governments of Madagascar, Seychelles and Tanzania.

##### 5. THE QUESTION OF DIEGO GARCIA.

It is certain that the new government will press its claim to the tiny atoll - 2 000 km to the north-east - where the United States has a major military base.

Prior to independence, Mauritius and Diego Garcia were administered by London as part of a single territory. In 1965, Britain leased Diego Garcia to the U.S. Government for a period of 50 years and assured Mauritians that a "simple communications facility", not a military base, would be built there.

The attraction of Diego Garcia for the U.S. is its location, lying between East Africa and India, 3 200 km away from East Africa and 1 900 km from India). It therefore occupies a central and strategic site in the Indian Ocean, although it is only 20 km by 7 km in size.

In the late 1960s, sophisticated listening equipment was installed on the atoll. However, between 1974 and 1979 Diego Garcia was fundamentally transformed; an airstrip 4 km long and a fuel farm were built. Some reports indicate that an entrance suitable for nuclear submarines has been made in the Island's coral reef. It is estimated that there are up to 3 000 U.S. military personnel on the Island who form part of the controversial Rapid Deployment Force.

In 1980, after the Soviet invasion of Afghanistan, Washington announced further expansion of the Diego Garcia facilities. After the U.S. had lost access to the Iranian ports of Bandar, Abbas and Chah Bahaar, it now plans to station up to seven floating arsenals close to Diego Garcia. In order to accommodate B52 Bombers, the Island's airstrip has been further extended at a capital cost of US\$ 1 000 million.

The population of the atoll, known as "les Ilois", were moved to Mauritius, where they are now mostly unemployed. The question if "les Ilois" has never been closed, nor has Mauritian sovereignty over Diego Garcia been denied by Britain. Earlier this month, Mauritius signed an agreement with Britain on compensation for people displaced from Diego Garcia, while Mauritius maintained its claim to sovereignty over the atoll.

The MMM will no doubt increase its diplomatic pressure for the return of Diego Garcia, a move supported by the O.A.U. in its recent summits. This goal, however, is not likely to be achieved in the near future. Given the level of international tension, it is unlikely that either London or Washington will be willing to sacrifice this strategically important facility, despite the feelings of African States.

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Jan Smuts House.