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Brief Report No. 53
(Not for Publication)

MAURITIUS : A CHANGE IN DIRECTION?

(To be read in conjunction with Brief Report No. 41, of July 1982)

The people of Mauritius surprised observers, for the second time in 14 months, in the election held on 21 August, 1983. Mauritians proved that the islands were one of the few functioning African multiparty democracies by electing a new coalition.

This Brief Report assesses the election and speculates on South African-Mauritian relations.

In the election of June 1982, Mr. Paul Bérenger's left-leaning Mouvement Militant Mauricien (MMM) emerged as the country's strongest party. The MMM-PSM (Parti Socialiste Mauricien) coalition won 60 of the 62 contestable parliamentary constituencies (42 to the MMM and 18 to the PSM).

The success of this coalition must, in part, be ascribed to the immediate situation of industrial unrest, increasing unemployment and inflation, and the September 1981 devaluation of the Mauritian Rupee. While a change in government was predictable, the sheer scale of it was overwhelming. Mr. Anerood Jugnauth (MMM) became Prime Minister, Mr. Paul Bérenger (MMM) assumed the sensitive part of Minister of Finance, and Mr. Harish Boodhoo (PSM) deputy Prime Minister. It is generally accepted that the media played a significant role in the victory. Mauritius has probably the highest number of newspapers per capita in the world - 14 newspapers for a population of just under one million.

However, signs of strain within the coalition manifested themselves within four months. Bérenger, much against his election pledges, pressed for austere economic policies, including a sales tax and reduced food subsidies, at the same time making substantial concessions to the sugar industry by reducing the controversial export tax. While these measures were opposed by the PSM, the Party was particularly piqued by the reduction of the government subsidy on flour and rice - the staple diet of large sections of the community. Faced with this situation, Bérenger resigned, but following a reconciliation of differences, he resumed his post as Minister of Finance and the austerity measures remained intact.

In March 1983, a more serious division arose, leading ultimately to the collapse of the coalition, with Bérenger's economic policies once again being the major cause of disintegration.

Bérenger and ten other Ministers then resigned from the 18-member cabinet, leaving the Prime Minister with a constitutional crisis. At a meeting following the collapse, the MMM decided to end the electoral pact, and this forced every member of the government either to accept this decision, or face expulsion from the Party. The Prime Minister refused and was therefore considered as being without a Party.

The Prime Minister then adjourned the parliamentary session until June, to avoid a vote of no confidence in the government. He then formed a new party, The Mouvement Socialiste Militant (MSM) and called for elections on 21 August 1983. He simultaneously set about establishing a new electoral pact with the island's minor parties.

The August election results surprised observers, since a tight contest between the Prime Minister's pact and the MMM was expected. In the event, the pact was successful and the governing coalition now consists of the MSM (merged with the PSM), the Labour Party (Parti Travailleiste-PT) of Sir Seewoosagur Ramgoolam and the Parti Mauricien Social Democrat (PMSD) of Sir Gaëtan Duval. The Economist has noted that in the political history of Mauritius coalition parties are among the most oddly arranged in the world; Prime Minister Jugnauth is a pragmatic socialist, Sir Seewoosagur is a pro-Western mixed economy adherent, and Sir Gaëtan is on the far right in economic questions.

The coalition received 51,4% electoral support which gave them 48 seats. These are broken down as follows :

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| 31 seats for the MSM |
| 11 PT |
| 4 PMSD |
| 2 Organisation du Peuple Rodriguais (OPR) |

For their part, the MMM gained 45% of the votes and has 22 seats.

In assessing the outcome, it needs to be stated that, although heavily defeated, the MMM obtained the highest percentage of votes ever won by a single party in a general election in Mauritius. (In 1967 the PMSD won 44%, and in 1976 the MMM won 38% of the votes).

Despite the MMM's strength, it faces a difficult task in retaining its electoral hold. Bérenger lost his own seat (by 74 votes), as did the Party's Secretary General and President, but Bérenger remains a member of parliament, because the Mauritian political system allocates a certain number of seats to the "best losers".

It is arguable, that community identities played an important role in the voting in August, (Paul Bérenger is a Franco-Mauritian - 2% of the total population - and Mr. Jugnauth is a Hindu - more than 50% of the total population.) However, the Prime Minister appears conscious of this and his appointment of Gaëtan Duval - a Creole - signifies this.

The voters obviously rejected the stringent economic policies of the IMF and World Bank which Bérenger supported, and which the Jugnauth faction opposed. However, the endemic economic problems remain - high unemployment (22%) and inflation (20%).

The new government's major policy move was to be an attempt to change the constitution to a republican one. The only change this would have entailed,

however, would have been that the President would replace the British Monarch as Head of State. However, the Bill to make Mauritius a republic failed to obtain the necessary 75% majority in the island's Legislative Assembly in mid-December. The Bill received 47 votes, six short of the required majority, and it is unlikely that the Government will abandon the plan.

Concerning foreign policy, relations with Moscow seem to have cooled, for Jugnauth is reported to have refused to receive the Soviet Ambassador, Nicolai Pankov, when he came to congratulate the new government on its victory. Mr. Pankov suddenly returned to Moscow on August 24, officially for a two-month holiday. A few days later the Prime Minister declared that his Government "does not wish to be South Africa's enemy" but will be "realistic" in its relations with Pretoria, even though it opposes apartheid.

It is clear that contacts with South Africa will increase and trade links will be strengthened. Recent developments, especially the semi-official visits by Mauritian leaders - including a Minister - to South Africa, point to improved relations between Port Louis and Pretoria. Annual statistics reveal that at present South Africa derives greater benefit from the two-way trade than does Mauritius. Imports from South Africa amount to approximately 450 million Mauritian Rupee (MR) (R45 million), and exports to South Africa at about MR 40 million (R4 million).

Following the break with the MMM, Prime Minister Jugnauth also lifted the embargo on the supply of labour to the Diego Garcia air and naval base. Although the American base, leased from Britain, remains an issue of contention and the Mauritian Government still claims sovereignty over the strategic island of Diego Garcia, 2 000 km away to the north-east, nevertheless Port Louis has accepted London's "final" offer of compensation to the islanders displaced by the US and resettled on Mauritius.

In the economic field, the Mauritian Government presides over an economic mess. Over-dependency on sugar continues and world prices are low. However, exports of sugar to the European Community at a fixed price keep the economy afloat.

The new Administration's 1983-84 budget was presented by the Finance Minister on October 11. The measures included the encouragement of foreign investment through a number of measures. Overall spending has been set at MR4 610 million (m) (\$408m), a 24% increase over 1982/83. The surprise in the new budget is that the deficit has been allowed to rise slightly from MR1 365m (\$121m) to MR1 382m(\$122m).

Rising deficit may indicate that the new government has been successful in its negotiations with the IMF which initially wanted the deficit held down to MR1 200m (\$106m); the budget is understood to have received prior approval from the IMF. In October 1983, the Mauritian Ministry of Industry and Commerce issued a fact sheet entitled "Investing in Mauritius". The document outlines Mauritian attempts to convert itself into what has been called the "Hong Kong" option. The investment incentives include an Export Processing Zone (EPZ), Development Incentives, Export Services Zone and Hotel Development Incentives.

Jan Smuts House,
December, 1983.