**Title:**

COMPETITION AND COOPERATION IN THE SOUTHWESTERN INDIAN OCEAN: THE VIEW FROM THE ISLANDS

**Author(s):**

BORMAN

**Report Type:**

FINAL

**Date of Report:**

AUG 10 1993

**Page Count:**

26

**Subject Terms:**

INDIAN OCEAN, MADAGASCAR, SEYCHELLES, MAURITIUS, FRANCE, INDIA, COMOROS, DIEGO GARCIA, AUSTRALIA

**Abstract:**

(Continue on reverse if necessary and identify by block number)
Competition and Cooperation in the Southwestern Indian Ocean: The View From the Islands

Larry W. Bowman
University of Connecticut

Prepared for
The Defense Academic Research Support Program (DARSP)
April 1993
Competition and Cooperation in the Southwestern Indian Ocean: The View From the Islands

Larry W. Bowman

University of Connecticut

Introduction

The independent island nations of the Southwestern Indian Ocean, the Comoros, Madagascar, the Seychelles, and Mauritius, rarely gain much international attention. Coup and attempted coups, the role of mercenaries, the plight of the lemur, and even a *Sports Illustrated* swimsuit issue have drawn sporadic attention to this little known part of the world, but none of this provided any more than a brief and scarcely thorough glimpse of these distant islands.

During the Cold War, the one constant feature of ongoing news coverage, and even of the scholarly literature, was the ups and downs of presumed Soviet Union/United States superpower competition in this region. The so-called pro-Soviet slant of the Seychelles and Madagascar during different periods drew attention far in excess of any apparent tilt in that direction. Countless books and articles condemned or extolled the United States base on Diego Garcia. And the 1982 election of a presumed leftist government in Mauritius drew more attention for the fear of what it might mean than praise for the democratic, and non-violent, transfer of power which was its most compelling feature.

With the demise of the Cold War, the strategic concerns which once drew attention to these distant islands have all but disappeared. The Soviet Union's modest presence has faded with the Soviet Union itself. For its part, the United States, as the sole global superpower, continues to be at least modestly involved with all four countries. But even with the backdrop of the Gulf War, Operation Restore Hope in Somalia, the continued international controversy over Diego Garcia, and the persisting need for US access to Gulf oil, there is little reason to expect expanded US interest in the Indian Ocean islands.

Pressing domestic concerns, the absence of any strategic threat, and international priorities elsewhere preclude the serious expectation of deep US involvement.

With competitive superpower involvement in the region now but a fading memory, it is interesting to ask what, if anything, might draw external interest to the Southwestern Indian Ocean. Do the islands have resources or other attributes, and do other countries have interests, that might draw them together? Does the end of superpower competition offer the islands hope of broadened international interest or the possibility of even further international marginalization? How are domestic, regional, and international interests in this region likely to intersect during the 1990s?

In order to attempt an answer to these questions, this paper will examine the interaction of two distinct trends. An overview of the contemporary political economy of the four island nations will be presented. This will include an examination of the activities of the Indian Ocean Commission, a regional organization founded in 1984, through which the island nations are endeavoring to coordinate some of their development activities. To this analysis will be added an examination of...
interactions these countries have with four nations, France, India, South Africa, and Australia, that have a strong regional presence in the Indian Ocean. In so doing, I hope to determine whether the demise of the Cold War offers more or fewer opportunities for these strong regional or middle powers to become more active and deepen their involvement in the island nations. What are the likely major policy concerns of the island nations in the 1990s, and how will the involvement of these regional powers affect their economic and political prospects?

The activities and interests of the middle powers provide both opportunities and dangers for the island nations of the Southwestern Indian Ocean. On the one hand, the fact that larger, richer, and more powerful countries look to the islands for political access and influence, investment opportunities, cultural linkages, and tourist venues gives them economic opportunities that might otherwise be unavailable. On the other hand, there is always the possibility that these larger states might intrude on domestic politics, skew the local economies to their own purpose, or engage in rivalries amongst themselves within the islands, thereby decreasing rather than enhancing domestic stability.

As Table 1 shows, the four independent island nations vary markedly in size and in the strength of their domestic economies. Depending upon geographic location and historical evolution, they have had different experiences with various external powers. This becomes apparent as the contemporary political economy of each state is examined.

**Table One: Island Nations of the Southwestern Indian Ocean**

<table>
<thead>
<tr>
<th></th>
<th>Area (sq. km.)</th>
<th>Population (1990)</th>
<th>GNP (per capita)</th>
<th>Life Expectancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comoros</td>
<td>2,170</td>
<td>475,000</td>
<td>$480</td>
<td>55 years</td>
</tr>
<tr>
<td>Madagascar</td>
<td>587,000</td>
<td>11.7 million</td>
<td>$230</td>
<td>51 years</td>
</tr>
<tr>
<td>Seychelles</td>
<td>444</td>
<td>68,000</td>
<td>$4,670</td>
<td>71 years</td>
</tr>
<tr>
<td>Mauritius</td>
<td>1,960</td>
<td>1.1 million</td>
<td>$2,250</td>
<td>70 years</td>
</tr>
</tbody>
</table>


It is difficult to overestimate the role of foreign influences on the contemporary history of the Comoro Islands. From its inception as an independent country in 1975, both foreign mercenary forces and outside countries (in particular France and South Africa) have played a major role in the shaping of Comorian political life.

The intensity of foreign dabbling in the politics of these strong regional or middle powers to become may be lessening a bit in the early 1990s due to the changes in South Africa and the process of democratization that the Comoros have been undergoing since 1990. Nonetheless, the frail and problematic health of the Comorian economy, the country’s overwhelming financial dependence on France, and the particular and fragmented nature of Comorian politics (which give great incentive to, and opportunity for, foreign meddling) makes it unlikely that the Comoros will soon be ready to stand on its own feet.

The tale of foreign influence in the Comoros is really the story of two countries, France and South Africa. The US buys vanilla from the Comoros, Madagascar and the Comoros have longstanding ties, and there are occasionally hints that Saudi Arabia or other Gulf States might use their Islamic ties to build stronger relations but, in truth, no other countries play even remotely as important roles as France and South Africa.

It is not really surprising that the Comoros have drawn so little international attention. The country is tiny and impoverished. It has little to offer the world in the way of resources or products, once you get past the ever-fluctuating international markets for vanilla, cloves, and ylang-ylang. On the international stage, the Comoros cut a modest picture indeed, and their internal politics are so arcane as to be unfathomable to all but the most dedicated student of Indian Ocean affairs.

The Comoros have had a tumultuous political history. Its independence on 6 July 1975 was not the product of an orderly devolution of power, but...
instead was a unilateral declaration of independence asserted against France, the colonial power. While not contested by the French, one of the four Comorian islands, Mayotte, opted not to join the newly independent government, a development that remains both a permanent source of disagreement between France and the Comoros, and a fundamental factor underlying France's deep involvement in the politics of the archipelago.

Within a month of Comorian independence, the President, Ahmed Abdallah, was overthrown in a coup led by a French mercenary, Bob Denard. Three years later on 12 May 1978, Denard and about 50 other white mercenaries organized a second coup against Ali Soilih, the man they had previously installed in power. The first president, Ahmed Abdallah, was returned to power, where he remained until the evening of 26 November 1989, when he was assassinated, either by Denard or one of his fellow mercenaries. Only in the aftermath of the Abdallah murder were Denard and his mercenaries finally forced out of the Comoros.

Although Denard and his mercenary band are one of the major stories of Comorian life from 1975-1989, their "success" in making and breaking various Comorian governments would not have been possible without the collaboration and connivance of both the French and South African governments. These two governments have at times been rivals and at other times co-conspirators in trying to bring order to Comorian life, but they have never been far removed from power and influence. Through 1989, the role of both can be rather easily traced. From 1990-1993, their roles have undergone some changes, though less so for France than for South Africa.

There are two distinct aspects of French and South African involvement in the Comoros, political and economic. The political is the more dramatic, but the economic is likely to be more long-lasting. Each needs to be briefly discussed.

Any review of external involvement in the Comoros must begin and end with France. From the 1840s, the French have had a presence on Mayotte, and from the 1890s, they became the colonial power on all four Comoro islands. The French government, military, and secret service have had enduring relations with different Comorian factions. The French were clearly involved in both of the coups of the 1970s; Denard and his mercenaries were initially financially supported by the French. By the end of the 1970s, however, the mercenaries had been taken over financially by the South African government, although France remained the dominant economic force on the islands.

In allowing the South Africans to take over funding for Denard and the mercenary-led Presidential Guard that ostensibly protected President Abdallah, France signalled its modest displeasure with internal developments in the Comoros. Additionally, in 1986, the French began implementing a one billion French franc aid program on Mayotte, a program that included modernizing the main harbor and building an international airport. This deepening commitment to keep Mayotte French, a decision that receives little protest on Mayotte, served to further distance the French from internal developments in the Comoros.5

There were several reasons why South Africa from 1979 onward was willing to take over the expense of supporting Denard, 30-50 other white mercenaries, and the 500 members of the Presidential Guard. For the price of about $5 million annually, South Africa could dominate security arrangements in the Comoros and exercise considerable influence over Comorian politics. For South Africa, the Comoros had distinct uses. Given its political isolation during this period and the general hostility felt toward South Africa due to apartheid at home and its destabilization policy throughout Southern Africa, a foothold in the Comoros gave South Africa opportunities for both foreign policy intrigues and sanctions busting. Through the Comoros, South Africa funnelled arms to Renamo in Mozambique and sold arms to Iran. Moreover, the Comoros provided South Africa with an offshore warehouse for the reexporting of South African made goods.6

South Africa's cozy relationship with Denard and the Presidential Guard began to change in the late 1980s. With the termination of the destabilization campaign and the evolution toward political reform by the National Party government, the relationship with Denard and the Presidential Guard became a focal point of internal debate. The Ministry of Foreign Affairs, which had supplied approximately one-fourth of the funding, wanted to put South African relations with the Comoros on a more formal diplomatic footing, and by 1989 was
withdrawing its financial support for the mercenaries. On the other hand, the Directorate for Military Intelligence, which supplied the other three-fourths of Denard’s funds, preferred maintaining this more clandestine relationship.\(^7\)

Toward the end of 1989, however, reform elements in the South African government were clearly gaining the upper hand, thereby putting Denard’s future at considerable risk. The French had also been actively urging President Abdallah to get rid of the mercenaries and replace them with a private French security firm, Secrete, run by Paul Barril.\(^8\) It seems evident, however, that Abdallah did not feel he could confront the mercenaries alone.

Exactly what happened on the night of 26 November 1989 may never be fully known, but it is clear that Bob Denard and fellow mercenary, Dominique Malacrino, met with President Abdallah and a few of his aids. Their goal was to get Abdallah to resist French pressure to integrate the Presidential Guard with the Comoro Armed Forces and to resist the normalization of relations with South Africa, which would jeopardize the mercenaries’ long-term funding ties with South African military intelligence. During this conversation, an argument arose that led directly to the assassination of President Abdallah. Although Denard and Malacrino attempted to cover their action with a phony coup attempt, their desperate actions were of little use. The murder of President Abdallah was the last straw for both South Africa and France. Working in tandem, they offered Denard and the mercenaries a deal they could not refuse: safe passage out of the Comoros. Their alternative was to have their funding terminated and, in all likelihood, armed intervention against them.\(^9\)

In the aftermath of the ouster of the mercenaries, it has been the French that have largely picked up the pieces. Once Denard left, the French quickly brought in troops from Mayotte and Reunion to help stabilize the situation. A French Colonel, Christian Leonard, has played a crucial role in reorganizing Comorian defenses, and French military advisors have taken on the task of integrating the Presidential Guard within the Comoro Armed Forces; these various efforts have had the unavoidable consequence of making France basically responsible for the security of Abdallah’s successor, President Said Mohamed Djohar.\(^10\) In taking on these security tasks, France has simply reassumed a role that it played during the colonial period and in the early years of Comorian independence.

South Africa worked closely with the French in 1989 and played a critical role in the ouster of the mercenaries by allowing them to relocate to South Africa. In the aftermath, however, South African interest in, and involvement with, the Comoros has waned considerably. The two main tourist hotels, run initially by Sun International and now by World Leisure International (both South African investment groups), were closed from the end of 1989 until March 1991. During this hiatus, only charter flights connected the two countries, although a weekly flight has now been reestablished. In 1992, South Africa actually closed its consulate in the Comoros. A subsequent announcement suggested that ambassadors would soon be exchanged, but this has not been finalized. South Africa’s changed posture toward the Comoros reflects how very little the Comoros have to offer now that South Africa’s isolation is ending and new diplomatic, trade, investment, and tourism opportunities are unfolding throughout the continent.

Turning to the Comorian economy, France’s leading role never lapsed, even during the years when South Africa was the dominant player in the security realm. France’s economic influence can be easily described. France is the leading economic partner of the Comoros: in 1990, 56 percent of Comorian exports went to France and 56 percent of Comorian imports came from France. In 1990, out of bilateral aid totaling $30.6 million, France supplied $24.1 million, or 79 percent.\(^12\) Given the small size of the Comorian economy, French aid is crucial. There are only about 1,000 industrial workers on the islands. The single luxury hotel in the country, employing 210 people, is second only to the government as the largest employer.\(^13\) Traditionally, French aid has paid for technical cooperation, debt servicing, and even direct personnel costs when the Comorian treasury was empty. A UNDP report in 1991 said that for the preceding five years, French aid had provided the equivalent of 15 percent of the country’s GNP.\(^14\)

There are signs, however, that French largesse may have its limits. Just as South Africa pulled away from the islands, so too has France indicated that it wishes to tighten its aid guidelines to the Comoros and to tie aid funding to specific contacts and financial targets. In so doing the French are
attempting to remove themselves from being the financial court of last resort for all Comorian problems, and to help the IMF put some teeth into its efforts to get the Comoros to adopt and implement a structural adjustment plan.\textsuperscript{15}

For the foreseeable future, it seems unlikely that the situation in the Comoros will change very dramatically. Since the assassination of President Abdallah, there have been important efforts at political reform. In 1990, presidential elections were held in which Said Mohamed Djohar defeated Mohamed Taki in a two-stage competitive race.\textsuperscript{16} In June 1992, a referendum on constitutional reform was passed by a wide margin. This was to lead to new legislative elections and new nominations for the governors of each island, but the process was in turmoil by the end of 1992.\textsuperscript{17} These positive steps must be juxtaposed with recurring coup threats and the continued presence of ex-mercenaries acting as advisors to leading Comorian politicians.\textsuperscript{18} If democratization succeeds, this will perhaps attract the occasional attention of the US and other European countries.

Unless a new South African government decides to reinvigorate its external activities toward the islands, the Comoros are likely to be beholden to the French on almost any terms the French wish to set. No other angel is on the horizon; the Comorian economy is so frail and limited that it is unlikely to draw much interest from other actors. For historical reasons, the French will doubtless remain involved. But with Mayotte and Reunion providing the French military facilities in this region, and Mauritius and Madagascar offering far more significant economic ties, it is likely that in the eyes of the French, the Comoros will remain the most marginalized and least important country in the region.

Rebellion and Reform in Madagascar

Madagascar presents its regional neighbors and external powers with an often confused sense of itself. On the one hand, its size, resources, and potential make it a plausible market for investment. On the other hand, it is an extremely poor country that has been badly managed over many years. Thus, its potential has seldom been realized and, in turn, its political and economic disorganization and generally poor infrastructure give pause to those who might wish to collaborate with it.\textsuperscript{19}

Earlier than most other African countries, Madagascar developed a structural adjustment program under the guidance of the IMF and World Bank in the early 1980s, beginning a process to liberalize its economy. A particular focus of reform was the pricing and marketing of rice, which Madagascar had gone from an exporter in the early 1970s to a huge importer by the early 1980s.\textsuperscript{20} In so doing, Madagascar clearly indicated its intent to move away from socialist experiments undertaken in the 1970s; one sardonic commentator noted that President Didier Ratsiraka had "sacrificed a cherished place at the helm of the anti-colonial debate for a bench in the debtors' galley."\textsuperscript{21} Subsequently, a major new private investment code was ratified in 1986, and an export processing zone, closely modeled on the Mauritian experience, was formed.

These economic efforts at reform, however, had scarcely begun to take shape before the polity was overwhelmed with demands for democratization and political reform. President Ratsiraka, virtual dictator since 1975, only slowly indicated any willingness to accede to domestic and international pressures for political change. By 1991, a continuous wave of protests, demonstrations, and eventually a general strike, all but paralyzed the country; Ratsiraka’s efforts to contain the protests led to a massacre of demonstrators outside the presidential palace in August 1991, an event that only fueled the protestor’s resolve.

For most of 1992, a political stand-off existed between President Ratsiraka, isolated in his palace and largely cut off from all but the symbolic strands of authority; Prime Minister Guy Razanamasy, who gamely endeavored to keep some semblance of governmental decision-making in place; and Albert Zafy, the leader of both the Active Forces Party (a major opposition group) and the High State Authority (a transitional political institution formed help lead Madagascar during its transition from dictatorship to democracy).\textsuperscript{22} While all factions, including that of Ratsiraka, seemed agreed on some form of both economic and political liberalization, the process of change was so disorganized and tumultuous that the economy and economic reform efforts all but collapsed, pending some resolution of the ongoing political crisis.

During the latter half of 1992 and the beginning of 1993, three steps were taken to resolve the political
crisis. In August 1992, a referendum was held on a new constitution. Approved by 75 percent of the voters, the new constitution opened the way for new presidential elections. These elections have since been held in two stages. A first stage was held in November in which eight candidates stood; Zafy with 49 percent and Ratsiraka with 25 percent far outdistanced all other contenders. On 9 February 1993, a second round between these two men led to a 70-30 percent triumph for Zafy and the apparent end of Ratsiraka's 17 year reign. If all goes well, the final stage in this democratization process will take place later in 1993 when new national assembly elections are due, elections that should give rise to a new government and prime minister. In the meantime, Zafy will have the difficult job of trying to rebuild Madagascar's devastated economy.

Over more than 30 years of independence, Madagascar has suffered from an almost complete lack of new investment. The state has survived through a steady infusion of loans and aid monies, largely derived from France, other Western powers, and major multilateral organizations. As in the Comoros, France, the former colonial power, has historically played a leading role in the economy. This is still true, and it remains to be seen whether Malagasy efforts to reform the economy will provide sufficient incentives to bring other serious actors into the Malagasy market.

France’s dominant role can quickly be described. In 1990, 27 percent of Madagascar’s exports went to France and 34 percent of its imports came from France; in each case France was the leading trading partner. In 1990, Madagascar received $423.8 million in bilateral aid; France, supplying $161.2 million, was the number one aid donor. Over the six-year period, 1985-1990, Madagascar received a total of $1,334.5 million in bilateral aid, of which France supplied $655.4 million, again, by far, the leading donor.

Beyond direct bilateral aid, France provides the Madagascar government with various loans for all manner of projects: bank restructuring, import supports, radio reception, telephone systems, public transportation. Madagascar has also benefitted enormously from the 1990 French decision to cancel most of the debt owed it by the least developed countries. For Madagascar this debt relief amounted to the cancellation of about $715 million.

The long term question about the French role in the Madagascar economy has to be focused on whether or not the French are willing to continually underwrite the failures of the Madagascar economy in order to maintain a privileged position within the state. As in the Comoros and elsewhere in Africa, the French, of late, are trying to condition their support with specific economic reform guidelines demanded under the structural adjustment program. Late in 1992, the French announced that their 1993 aid to Madagascar would be reduced, because of both Malagasy inability to usefully absorb the aid and to give teeth to IMF restructuring efforts. Even this pressure may in the end only serve to enhance the French presence, since it has been argued that “any reform of Madagascar’s banking sector and the speed-up in privatizing its public sector enterprises is expected to allow French companies to reinforce their presence in the country.”

Beyond the preferences of the French, the question remains open whether the Madagascar government will want to remain so dependent upon the French or will itself look to find ways to broaden its base of trade, aid, and investment support. The intense political instability and economic turmoil of the past two years has made it difficult to see whether economic liberalization will actually draw in new investment. Within Madagascar’s new export processing zone, French, Mauritian, and Hong Kong investors seem to have made the early commitments. In general, however, the Madagascar government has been disappointed over the slow rate of investment, particularly from the French.

Speculation has emerged that the French might be dragging their feet until they get assurances that Madagascar will accept technology and know-how from Reunion, and allow Madagascar-made goods to be reexported through Reunion (with “Made in Reunion” labels) for easier access to EC markets. Such conditions would help the French make Reunion a transit and supply base for Malagasy industrialization, or has been argued more colloquially, an “aircraft carrier” for French investment in the Indian Ocean and a “hatchway” for the region’s entry into the EC. One reason this might be important to the French would be to forestall the rapid emergence in the Madagascar export processing zone of Mauritian investors, a development that could significantly help the Mauritian economy, particularly in comparison to development in Reunion.
Waiting in the wings as potential competitors to France in Madagascar are South Africa, India, Mauritius, and even Australia. Of these, South Africa is by far the most potentially promising from the Malagasy point of view. Throughout most of the period of its independence, Madagascar shied away from ties with South Africa and generally supported boycotts of the apartheid state. But as South Africa, just as Madagascar, began to change in the late 1980s, rapid efforts were made by both countries to reestablish commercial and diplomatic relations.

In April 1990, two months after the release of Nelson Mandela, political contacts were openly restored between the two governments; soon thereafter (August 1990) President de Klerk visited Madagascar. In April 1991, "representative bureaux" were established in each country. Before the end of 1990, aviation ties were started and a new shipping service began between Durban and ports on Madagascar's West coast. Various reports have indicated that South African businessmen were actively seeking office space and "flocking into Madagascar in search of tariff free production facilities for the EC market and openings to supply a potentially growing domestic and regional market." The Mauritian Beachcomber Group (within which South Africans are major shareholders) has indicated its desire to construct three four-star hotels in Madagascar; their goal would be to provide tourist facilities catering to the South African market at a level slightly below the cost and distance needed to carry South African tourists to Mauritius or the Seychelles.

Beyond the potential from South Africa, Indian investment groups have been looking at Madagascar. A quarterly shipping service between Bombay and Toamasina, via Port Louis, has been started by the Shipping Line of India, and Indian investors have recently opened a large match box factory. The Indian Tata truck is now the number one truck in Madagascar. Just how far Indian investment grows may well depend upon the ability of Malagasy authorities to curb local attacks on Indo-Muslim businesses; these were a disturbing feature of the political and economic unrest of 1991-1992. Australia too has made new efforts to develop ties with Madagascar. An Australian oil company, BHP Australia, has been doing local exploring in conjunction with BHP Madagascar.

Madagascar's prospects for the rest of the 1990s are difficult to predict. Even with the presidential election accomplished, the political situation is still very unsettled, and it is hard to be sanguine that Madagascar's long period of political crisis may be nearing an end. Whatever government emerges after national assembly elections is likely to continue the process of economic liberalization, if only because the IMF, the World Bank, and major bilateral donors will insist upon it. Whether Madagascar's political leaders can hold together the coalitions needed to give structural adjustment a chance to work remains an open question.

Lacking political stability as a base and given decades of economic mismanagement and decay, it is hard to be optimistic about the possibility of the export processing zone taking off, its tourist initiatives going very far, or of Madagascar being able to wean itself from the largesse of Western aid donors. Without significant domestic economic reform and growth, it is likely that France will remain Madagascar's main external partner. This will reflect Madagascar's lack of alternatives and France's ability to maintain influence at a cut-rate price; indeed, the French navy is now being allowed back into Madagascar from which it and the rest of the French military had been expelled in the 1970s. This bleak scenario will not likely bring major improvements in the economy. Only when Madagascar, on its own, develops stable political structures and favorable conditions for external investment will we have the chance to see the true potential of the Malagasy state.

The Seychelles: A Successful Balancing Act

The Seychelles, smallest of the island states, has since independence, experienced both external interventions and a period of sustained political stability and economic growth. Like the Comoros, the tiny size of the nation has made it appear exceptionally vulnerable to outside pressure, influence, and intervention.

Its early history gave little reason to doubt this grim assessment. Following independence in 1975, it was less than two years before a coup ousted Prime Minister James Mancham and brought to power Albert France Rene. External assistance from Tanzania, in particular, helped Rene consolidate his rule, but the period of the late 1970s and early 1980s was one in which there was much fear in the West.
that the Seychelles, isolated geographically and politically unstable, would be a prime target for Soviet meddling.

In fact, foreign intervention did occur in the Seychelles, but it came from neither the Soviet Union nor its allies, but from South Africa. In November 1981, about 50 mercenaries led by Colonel Mike Hoare, a veteran of other African mercenary efforts, flew into the Seychelles and attempted to overthrow the government. This effort, clearly supported by some elements within the South African intelligence community, was a seminal moment in the post-independence history of the Seychelles. Through a combination of the alert efforts of Seychelles security forces and the bungling of the mercenaries, the coup failed. It was really as an outgrowth of the failed coup that President Rene began to pay far closer attention to his island neighbors and to the regional powers that could potentially both threaten and assist his government. What emerged was a decade-long effort to implement a nonaligned foreign policy that on the one hand could promote development and, on the other hand, balance potentially threatening actors. The result of these efforts has been an extended period of economic growth fused with a stable security situation rooted in good relations with all neighboring regional powers.

In the Seychelles, there is no doubt that France has played the most important and lasting role. France has been and remains the dominant economic and cultural power, and also quietly provides military and security assistance. French efforts surpass those of any other middle power, the earlier fitful attention of the former Soviet Union, or the enduring, but modest, ties of the United States.

The current French role is briefly summarized. From the early 1980s, France supplanted the UK as the Seychelles’ leading aid partner, providing nearly one-third of all aid received. From 1982-1990, the Seychelles received $166.7 million in bilateral development assistance; France provided $53.9 million or 32 percent; Britain, with $26.1 million was second, with all other donors far behind. Additionally, France also puts up a significant share of the multilateral assistance offered the Seychelles by the World Bank or EC. In February 1991, France agreed to underwrite $40 million of a decade-long World Bank commitment of $55 million to finance local environmental projects.

Beyond aid assistance, France is an important economic partner in other ways as well. In addition to direct grants, French loans provide credit for the Seychelles Development Bank and have supported the development of a thermal power station for Victoria, the capital. French direct foreign investment is also important. Most prominent has been a joint venture to build the Seychelles’ first tuna processing plant, the Conserverie de l’Océan Indien. Opened in 1987, the plant has not yet received adequate tuna to operate at its full capacity of 9,000 tons per year. An enduring Seychelles goal is to gain greater market access for its tuna in France, Reunion, and the EC. This is a source of bilateral tension because 20 of the 47 boats licensed to harvest fish within the Seychelles Exclusive Economic Zone are French, yet very little of their catch is processed locally. France is also the Seychelles’ leading trade partner. Approximately 70 percent of the Seychelles’ exports go either to France or Reunion; France, Britain, and South Africa provide the most imports.

Beyond economic ties, France maintains significant political, cultural, and even military ties with the Seychelles. President Rene visits France regularly as do many other ministers. President Mitterand paid a one-day visit in June 1990, but other French ministers are through regularly. France provides scholarships and especially encourages the continued use of French. Several Creole Festivals have been held in the Seychelles, and the French Minister of Francophonie is a regular participant. Finally, in the background, French military assets remain potentially available. Even as the November 1981 coup was unfolding, the French responded to Rene’s calls for assistance by dispatching warships to the Seychelles. The coup collapsed before they were needed, but the French willingness to help was appreciated. France has since trained helicopter pilots and is providing reconnaissance boats to help the government patrol its EEZ. For these many reasons it is understandable why the Seychelles government sees France as its major foreign partner.

In contrast to the French, the South African, Indian, and Australian efforts are more modest. Nonetheless, all are encouraged, and together they provide valued options for the government. The South African connection has been the most complex, and it remains the relationship posing the greatest possibility for growth and change. There
really have been two distinct South Africas which
the Seychelles has had to accommodate in some
fashion. From independence until well into the
1980s, South Africa was primarily seen as a
powerful and basically hostile regional power. The
November 1981 coup attempt, coming as it did when
South Africa was destabilizing governments across
Southern Africa, certainly conveyed the point that
the Seychelles’ distant location was not beyond the
reach of South Africa.44

In the coup’s aftermath, it has been widely reported
that South Africa and Seychelles governments cut
an informal deal. In exchange for the release of
South African prisoners, the South African
government promised not to allow further coup
attempts to arise from its territory, promised to help
guarantee Seychelles security, and provided an
indemnity payment. South Africa soon began to see
that the Seychelles might be able to help the
apartheid state lessen its international isolation by
providing air links, a platform for the reexport of
manufactured goods in the context of sanctions
busting, and as a transshipment point for the
reexport of fuel to South Africa. Whether these
arrangements were true or not, relations improved.45

By the late 1980s, approximately 13 percent of Seychelles imports came from South
Africa, and South African tourists were slowly
finding their way to the islands. These growing
linkages, which were said to also include oil
transshipment and secret service ties, led to a June
1988 condemnation of the Seychelles by the
Organization of African Unity.46

The Seychelles’ long-term ties with South Africa
will depend upon future directions there. But with
the dismantling of apartheid proceeding apace,
South Africa has aggressively pursued closer
economic and political ties. Weekly flights between
Johannesburg and the Seychelles began in August
1991, and a Seychelles tourist office opened in
South Africa in September 1991. In April 1992,
consular ties were formally established. This has
been followed by a flurry of ministerial visits
pursuing possible ties in such diverse areas as
educational exchanges, medical cooperation, and
hotel management.47

Because of its relative proximity, South Africa is
well placed to increase its share of food and
beverage imports into the Seychelles; these
commodities are crucial to the vitality and growth
of the tourist industry. Moreover, rumors abound as
to the possibility of South African interests buying
shares of various Seychelles parastatals (such as Air
Seychelles and the Seychelles Marketing Board) as
they are privatized.48 With the new South Africa
beset with its own problems of transformation, there
is little likelihood that for the foreseeable future
South Africa will pose a security threat to the
Seychelles government; in this more benign context,
there is every reason to anticipate closer ties
between the two countries.

Through the 1980s, both India and Australia
slowly became engaged in the Seychelles. India’s
interest arose from a growing military interest in the
Indian Ocean and a concern about the influence and
activities of other powers in the region. As India
flexed its regional muscle, the Seychelles
government began the process of more fully
engaging India.

Ties between the two governments were
strengthened in August 1986 when the Indian
government played a role in helping President Rene
avert a possible coup. Word of an impending coup
came to Rene and Indian Prime Minister Rajiv
Gandhi as they both attended a Nonaligned
Movement conference in Harare, Zimbabwe.
Gandhi offered his private plane to Rene who
quickly returned home and dismissed the alleged
plotters.49 In the aftermath of this event, the
Seychelles government became noticeably warmer
toward Indian foreign policy. At the June 1988
independence celebrations, the Indian government
gave a helicopter to the Seychelles government, and
it was further announced that Indian soldiers would
begin to provide basic training for the Seychelles
armed forces. Following India’s November 1988
intervention in the Maldives to forestall a coup
attempt there, Rene praised India’s action as
"justified and praiseworthy," adding that it was "the
responsibility of the best-equipped neighboring
countries to come to the assistance of threatened
nations which do not have the means to defend
themselves."50 This statement can be seen as little
else but an endorsement of an Indian policing rolk
in the region.

Nonsecurity ties with India have grown slowly. In
January 1988, a five-year cooperation agreement
was signed between the two governments. This was
followed by a sale of 60 buses to the Seychelles. In
September 1989, the Indian President visited the
islands, and agreements were signed for India to supply expertise, training, and expatriate advisors. A loan of 7 million Seychelles rupees was also dispersed. 31

Australia's role has been the most modest of the regional powers. In the last five years, however, as Australian aid to the Indian Ocean region increased, the Seychelles benefited. In 1989-1990, Australia provided $1.4 million for education, training, and the establishment of a management school. Australian aid since then has supported similar projects and been used to rebuild La Digue harbor.

This activity speaks to the success the Seychelles government has had in diversifying its international ties. More than many countries, the Seychelles have been able to attract Western economic support and tourist dollars while maintaining a policy of nonalignment. In the 1990s, with no nations save perhaps India offering any counter to Western influence, the Seychelles has begun a process of democratization and political reform. In July 1992, the country held its first multi-party election since 1974 to choose a commission to rewrite the nation's constitution. The party of President Rene, the Seychelles People's Progressive Front (SPPF), garnered 58 percent of the vote and elected a majority to the commission. 52 By October, however, opposition parties were boycotting the commission's meetings because they found the SPPF unwilling to compromise sufficiently to ensure, in their eyes, the return of multi-party democracy. Despite opposition complaints, the SPPF brought their constitutional proposals to a referendum on 15 November 1992, and the proposed constitution received 53.7 percent approval. But the combined opposition parties, joined by the leadership of the Catholic and Anglican churches, urged a no vote and received 44.6 percent of the vote in opposition, thereby depriving the SPPF from reaching the 60 percent plateau needed for the constitution to be formally approved. 53

Despite this hitch in approving a new constitution, the fact that many political parties now operate openly in the Seychelles is likely to please major Western powers, including France, while in no way jeopardizing ties the Seychelles have developed with other regional powers. Indeed, with its per capita income the highest in Africa, the Seychelles are a success story for both attaining economic growth and sustaining a stable political environment that draws support from many nations.

There are both concerns and promise for the future of the Seychelles. Economic growth, while significant in recent years, must become less dependent upon tourism and more fully engage fishing and import substitution. The World Bank, however, has pointed out that the Seychelles face "serious constraints" from the environmental and labor point of view, and that these two elements could affect its capacity to "improve (or even maintain) living standards." 54

Any doubts about the long term vitality of the Seychelles economy would be eliminated if, as seems quite likely, oil were to be found in Seychelles waters. Oil industry sources have become increasingly optimistic about such prospects, and a regional oil seminar held in Victoria in September 1992 gave an upbeat assessment of exploration efforts. 55 If these potential discoveries were to materialize, the Seychelles' already bright prospects would become even more alluring.

Mauritius: The "Little Tiger" of the Indian Ocean

The economic and foreign policy of Mauritius shows a far more developed range of contacts and exhibits a wider range of activities than the other island nations. Its economy is more sophisticated and more successful, and Mauritius has shrewdly parlayed the wide diversity of its ethnic make-up to establish helpful relations with a surprising array of nations, particularly given its small physical size and a population of only 1.1 million. 56

As a small country in an isolated section of the developing world, Mauritius is utterly dependent upon external ties to keep its economy going. Mauritius needed to sell sugar, diversify its economy through industrialization, sell these products, attract investment and aid from external sources, and utilize its marvelous physical attributes to draw tourists. In order to do these various things, Mauritius has focused its foreign policy on those countries that have played a large role in the peopling and governing of the island. In practice, this has meant that Britain, France, India, and Africa draw the preponderance of foreign policy attention.

Britain was the colonial power in Mauritius from 1810 until the 1968 independence. Prior to British
rule, France held Mauritius from 1715 to 1810; thus Mauritius has been influenced politically and culturally by both European nations, a fact that remains very salient even today. During the French period, slaves were brought to Mauritius, a process that led to the development of a local Creole population. When slavery ended in the early 19th century, the desperate plantocracy turned to India for a new source of labor for the sugar plantations. Over 450,000 Indian laborers were brought to Mauritius as indentured labor from 1834-1910. By the early 20th century, the peopling of Mauritius was nearly complete. The ethnic proportions of the population (roughly 67 percent Indian, 29 percent Creole, 3 percent Chinese, and one percent Franco-Mauritian) has varied only slightly throughout the 20th century.57

Through the years since independence, Mauritius has maintained a strong relationship with Britain. Mauritius' only Prime Ministers, Sir Seewoosagur Ramgoolam and Sir Anerood Jugnauth, spent years working and studying in Britain. Respect for British institutions remains strong, and Mauritius is one of the few former British colonies that has maintained, since independence, a multi-party Parliamentary system of government. Mauritius is an active member of the Commonwealth and, until a Republic was declared in March 1992, on the anniversary of Mauritian independence, Queen Elizabeth II remained head of state. The Anglo-Mauritian Defense Agreement, the only formal defense agreement Mauritius has had with a foreign power, remained in place from 1968-1975. During the early years of independence, Britain was a major aid partner. Britain remains Mauritius' number one export partner, largely because it buys most of the Mauritian sugar crop under terms negotiated through the ACP/EC Sugar Protocol. It is only over the question of Diego Garcia, the island severed from Mauritius control during independence negotiations and then leased by Britain to the United States for the purpose of developing an Indian Ocean military base, that Mauritius and Britain remain at loggerheads.58

Despite the strength of British ties, France has emerged as Mauritius' most important economic partner since independence. As it did elsewhere in the Indian Ocean, France far exceeded Britain and everyone else in its avid courtship of Mauritius. In so doing, it drew heavily upon the fact that Mauritians speak French, Mauritian Kreol is based on French, and this French heritage and cultural affinity had scarcely been altered over a century and a half of British rule.

France has aggressively pursued good relations for a variety of reasons. The imperatives of Francophonie compel French interests as do its strategic interests in the area. Mauritius' closest neighbor, Reunion, is a French department and the headquarters of the French Southern Indian Ocean detachment of 2,700 soldiers. Unlike its feud with Britain over Diego Garcia, Mauritius has been accepting of France's regional security posture. Mauritius accepts Reunion as French territory and supports French membership in the Indian Ocean Commission. When Mauritius previously supported Third World demands for the withdrawal of foreign fleets from the Indian Ocean, it meant the United States and the Soviet Union, not France.

The diversity and sustained nature of French involvement in the Mauritius economy is what makes its contribution so significant. France is Mauritius' number one trading partner, second to Britain in taking Mauritian exports, and the number one import supplier. France is the leading source of concessional loans and foreign aid, and numerous French firms invest in the Export Processing Zone.59

French aid supports technical and professional training, industrial diversification, rural development, infrastructure projects, and health needs. Development loans from France have financed projects in energy, telecommunications, agriculture, water resources, air transport, hotels, and industry. France has a continuing desire to support all aspects of Mauritian life where the use of French can be promoted; thus, France offers scholarships to French universities and assistance for the Mauritian Broadcasting Corporation.60 French television, relayed directly to Reunion, is readily available in Mauritius.

While this level of aid and assistance is much appreciated by Mauritius, it has not prevented the two countries from having occasional disagreements. In certain areas of involvement, the French are very protective of their privileged position and aggressively endeavor to ward off
potential competitors. The two countries had a spat in 1988 when Mauritius granted a contract for 30,000 new telephone lines to Japan. In June 1991, the French hastily withdrew two military cooperation agents after Mauritius granted India a contract for communications and broadcasting equipment for the Mauritian Special Mobile Force; in each case, the French pointedly reminded Mauritius of its longstanding support for various telecommunications projects and demanded "more reciprocity" in return.61

The two countries have similarly had differences over air communication links. From time to time, Air France has endeavored to reshape long-haul transportation patterns to the Southwestern Indian Ocean through efforts to make Reunion a transport hub for regional traffic. This has been aggressively resisted by Air Mauritius, and Prime Minister Jugnauth publicly criticized businessmen from both France and Reunion in 1989 when one proposal of this nature was being debated.62 In 1991 when another version of this French plan was broached, Air Mauritius revised its airfares in order to discourage European tourists coming to Mauritius via Reunion.63

Despite these occasional disagreements, there is no doubt that France remains a close economic partner of Mauritius and a country for which many Mauritians feel a considerable cultural affinity. However, unlike the Comoros, Madagascar, and the Seychelles, Mauritius has more economic partners and international friends. This gives Mauritius more foreign policy options. Ties with India and South Africa are particularly important in giving a much richer regional dimension to overall Mauritian policy.

To an unusual degree, Mauritius has been able to simultaneously develop and maintain strong ties with important developed world partners while building significant links to other countries in the nonaligned world. In this latter category are included good relations with neighboring island countries, African countries, major Arab nations, and East Asia countries, including Taiwan, Hong Kong, and the People's Republic of China. Among the countries of the nonaligned world, however, it is relations with India that are by far the most important to Mauritius.

Two-thirds of the Mauritian population has roots in India and ties are sustained at many levels: history, family, language, religion. State visits to Mauritius by Indian leaders have occurred regularly and are seen as festive occasions where close ties are warmly recognized. Most recently, Prime Minister Narasimha Rao was the major guest of honor at Mauritius' Independence Day celebration (22 March 1992) when a Republic was declared.64

Over the years, Indian aid to Mauritius has grown steadily to the point where it now ranks second to only France. Indian aid supports a variety of endeavors. In 1976, Prime Minister Indira Gandhi came to Mauritius to inaugurate the Mahatma Gandhi Institute, a major library and language training institute largely financed by India. India built a new judicial headquarters and has supported projects in the areas of electrification, civil aviation, shipping, hospital construction, broadcasting, and education.

India has also supplied assessment teams to help Mauritius structure development plans for Rodrigues and Agalega.65 Mauritius has long sought Indian government support to help Indian businessmen invest in Mauritius; during his March 1992 visit, Prime Minister Rao pledged new funds (approximately $16 million) to support such efforts.66

Beyond cultural and economic ties which generally run smoothly, Mauritius and India have at times found themselves at odds on larger political and security questions in the Indian Ocean. In the years since its independence, Mauritius has seen India grow into a major regional military power. Though Mauritius has been fortunate in maintaining domestic peace and stability, India sees Mauritius as within its sphere of influence, and it is possible that Mauritius would look to India or that India would interpose itself unilaterally if internal troubles arose. India's 1988 intervention in the Maldives is a case in point. Following two assassination attempts against Prime Minister Jugnauth in 1988-1989, India provided Mauritius with a security advisor to upgrade its protection of Jugnauth.

Mauritius has followed the Indian lead by supporting the Indian Ocean zone of peace (IOZP) idea and has welcomed India's steadfast objections to the US base on Diego Garcia and its support for Mauritian sovereignty there. Mauritius has also indicated its willingness to sponsor India for membership in the Indian Ocean Commission. In other areas, however, the two countries have
quarreled. India was never happy with the fact that Mauritius maintained significant investment and trade ties with South Africa, even during the dark days of apartheid. Mauritius and India sparred over South African Foreign Minister Pik Botha’s attendance at a November 1987 memorial service in Mauritius to commemorate the victims of a South African Airways flight that crashed near Mauritius. Prime Minister Jugnauth publicly rebuked India for refusing to send a representative to the service. Despite these occasional contretemps, however, the depth of the relationship between the two countries is great, and there is little reason to expect that it is in any way at risk.

Relations with South Africa have posed Mauritius with one of its two most enduring political challenges. As an active member of the Organization of African Unity and the Nonaligned Movement, Mauritius always shared these organizations’ antipathy toward South Africa. Moreover, Mauritius’ own success in blending peoples of diverse racial backgrounds into a functioning democracy stands in stark contrast to South Africa. Yet Mauritius, like other Southern Africa countries, developed economic ties to South Africa over many years. Until South Africa’s own political transition began in 1989-1990, Mauritian leaders struggled to balance their political opposition to South Africa with their need to do business with the apartheid state.

Mauritius had economic ties with South Africa for obvious reasons. South Africa is the closest nation with a developed industrial base. Many goods and products Mauritius must import are far cheaper in South Africa than anywhere else, and South Africa has steadily provided at least 10 percent of Mauritius imports. Beyond trade, South African businesses have invested in both the EPZ and the tourist industry, where the Sun International Group owns three luxury hotels. After Reunion and France, South Africa has long been the third major source of tourists to Mauritius.

These formal ties have long been augmented by the informal ties maintained between the two countries by the approximately 20,000 Mauritians who emigrated to South Africa, mostly around the time of independence. Mauritius’ various ties to South Africa did not go unnoticed, and in May 1988, the Liberation Committee of the OAU publicly named Mauritius (along with the Seychelles, the Comoros, and Equatorial Guinea) as countries with extensive ties to South Africa. Though being singled out was publicly embarrassing, it did nothing to change Mauritian-South African ties.

The political transformation underway in South Africa has, of course, opened a whole new chapter in the bilateral relations of the two countries. In 1991, Prime Minister de Klerk and Foreign Minister Botha paid private visits to Mauritius, and early in 1992 formal diplomatic relations were raised to the consulate level.

Meanwhile, across the Mauritian political spectrum, there is hope that South Africa will send more tourists, invest more broadly, and participate more in the financial sector while purchasing more tea, textiles, and clothing. MEDIA, the Mauritian organization charged with promoting trade and investment, has sent repeated delegations to South Africa and has now opened an office there. In April 1992, Mauritius hosted an international symposium on the development of its offshore facilities; 110 delegations from 30 countries participated, but the largest number of firms came from South Africa.

The Mauritian story since independence has been a remarkable one. In an era in which many developing countries have been unable to maintain democratic institutions, have faltered in their efforts to sustain economic growth, and have failed to maintain domestic peace between diverse groups, the Mauritian record has been exceptional. A multi-party democratic political system and a tolerant political culture has been sustained, and growth has proceeded to the point where Mauritius can be considered an upper middle-income developing country. What can Mauritius do for an encore?

By the end of the 1980s, Mauritian politicians and commentators on Mauritius had grown fond of describing Mauritius as a newly industrializing country and of comparing its economic progress to that of the "four tigers" of East Asia (Taiwan, South Korea, Singapore, and Hong Kong). Mauritius' success was based upon four development imperatives: modernizing the sugar sector, expanding and diversifying manufacturing in the EPZ, diversifying agriculture, and developing tourism. These goals still remain important and are supported by the government, the opposition, the private sector, external investors, and major aid donors.
The challenge for Mauritius in the 1990s is to manage the economy into its next stage of development.\textsuperscript{7} To do this, Mauritius must make the transition from a low-wage, labor-intensive economy to a more capital-intensive and high tech one. For this to be done, three key issues must be addressed: upgrading manpower and equipment, improving domestic infrastructure, and combating environmental problems. In all three areas, external support will be needed. To the degree that France, India, South Africa, and other bilateral and multilateral donors are supportive of the challenges of the 1990s, the more likely it will be that Mauritius will be able to repeat its earlier successes.

Even if we assume that Mauritius will be able to sustain its democratic political system and maintain social harmony, the challenges of the 1990s are every bit as daunting as those that have gone before. The economy remains fragile and susceptible to forces basically beyond Mauritian control. A weak international economy impacts the tourism industry and leads to protectionist pressures in developed world markets that import Mauritian textiles. As Mauritius moves to revamp and extend its educational system, upgrade labor productivity, and diversify its markets and products, it must compete economically with nations far more sophisticated than those it has previously challenged. Moreover, the demands of a modern industrialized workplace pose fundamental questions for the polity.

During the 1990s, Mauritian leaders are going to have to manage conflict arising between: (1) worker demands for higher wages and employer and investor concerns about remaining competitive in the world marketplace; (2) the impact of increased industrialization and growing tourism on the fragile domestic environment; and (3) the trade-off between demands and rewards of modern capitalism and the high value Mauritians have traditionally placed maintaining communal ties. More than the other island nations of the Southwestern Indian Ocean, Mauritius is linked to the global economy and is susceptible to pressures arising from it. Yet at the same time, Mauritius has always promoted better relations between its island neighbors and has been an active proponent of the Indian Ocean Commission. It is to the activities and future direction of these inter-island ties that we must finally turn.

Regional Cooperation and the Indian Ocean Commission

Although each of the island countries has struck its own relations with larger regional powers, there has emerged one organization through which these nations have endeavored to coordinate various regional efforts. This organization, the Indian Ocean Commission (IOC), was established in 1984 with Madagascar, Mauritius, and the Seychelles as founding members; in 1985, the Comoros and India, South Africa, and other bilateral and multilateral donors were added, with France joining to represent the island of Reunion.\textsuperscript{76} Despite much talk, the development of a permanent structure evolved slowly, and not until 1989 was a General Secretary named and a permanent Secretariat established in Mauritius. Funding for the organization has come primarily from France, the European Development Commission, and the United Nations Development Program. It remains a modest organization; its budget for 1990-1991 was only $230,000.\textsuperscript{77}

Although the idea of regional cooperation is attractive, there are significant restraints, both structural and political, that the IOC has had to confront. On the structural level, the countries of the IOC vary widely in their development and infrastructure. Reunion, as a French Department, enjoys a level of prosperity (albeit largely due to French subsidies) that is unmatched in the other countries. Mauritius and the Seychelles have levels of development and per capita incomes that put them at the top of World Bank figures for Africa, whereas the Comoros and Madagascar are two of the poorest countries in the world.

To the structural issues of differential development could be added such obvious problems of geographic isolation, tiny economies with few economies of scale, limited resource bases, and considerable economic vulnerability. Moreover, their economies in general have little to offer one another at anything resembling competitive prices. To these structural constraints can be added the fact that the islands compete economically for investment, tourist revenues, and international aid, and politically over competing claims to other islands in the region (France and the Comoros over Mayotte; France and Mauritius over Tromelin, and France, the Comoros, and Madagascar over the \textit{îles éparse}: Glorieuses, Juan de Nova, Europa, and Bassas da India).\textsuperscript{78}
Despite these inherent and persisting difficulties, the IOC has identified a number of areas where cooperative action might be possible. These include: trade, fishing, training, handicraft development, the development of a new University of the Indian Ocean, transportation (including both civil aviation and inter-island shipping), and joint industrial projects. To date, however, the accomplishments of the IOC have been few.

Perhaps the area with the greatest long-term potential for inter-island cooperative lies in the exploitation of sea-based resources, especially fishing. Together the Exclusive Economic Zones of the four island nations comprise over 2 million square miles. Their ability to exploit this vast area is, however, handicapped by the fact that they possess little indigenous fishing capability that goes beyond coastal waters. Moreover, they have historically lacked the capability to monitor and license externally based fleets that fish within their EEZs. By the 1980s, as catches declined in other overfished areas, long distance fishing fleets began to exploit this vast region, and an EC development administrator called the South Western Indian Ocean a "new Eldorado of the tuna fleets." 

In theory, the IOC would be a logical organization to coordinate a regional response to such interrelated issues as: the licensing and monitoring of foreign fleets; the management and conservation of tuna resources; the development of processing and transhipment facilities; and the development of indigenous fishing capability, including both the training of personnel and the purchase of adequate equipment. Such a regional response has also been encouraged by the EC through its Lome II Regional Program.

Despite this encouragement to cooperate, national interests often stifle promising cooperative endeavors. Mauritius and the Seychelles have taken tentative steps to jointly fish the Saya de Malha Banks that lie between the two countries. But since such an effort would be mounted from Agalega Island, a Mauritian dependency, the effort has led to controversy within Mauritius over whether these banks should even be shared with the Seychelles.

The islands would benefit if more tuna processing could be done locally, even if caught by externally based fleets. A French company joined with local investors to open the first tuna processing facility in the Seychelles in 1987. To date, however, this factory is not working nearly to capacity, and only a small fraction of the catch within Seychelles waters is processed there. The Seychelles effort might be more viable if tuna from the other island countries was processed there, but this idea runs directly into competing notions of national interest. Even with the Seychelles' processing experience as an object lesson, both Madagascar and Mauritius are seeking to expand their own processing capabilities. This type of competition is difficult to avoid when each country sees benefits only when facilities are located on its own territory.

Beyond fishing, similar problems of inter-island competition continue to hamstring the growth of collective efforts. Inter-island trade is no more than two to three percent of all island trade, and this low figure is unlikely to grow significantly until transport links improve between the various countries. Yet doubts abound as to whether there would be adequate volume to support regular inter-island shipping. Civil aviation linkages have slowly improved, but Mauritius in particular has resisted French efforts to make Reunion a regional transportation hub for the other islands. Mauritius rightly suspects that French efforts are directed against Air Mauritius and the well-established Mauritian tourist sector. The much bandied about idea for a new University of the Indian Ocean has been beset with conflict over whether it should be a French-speaking university (apparently favored by France and Madagascar) or an "international" university (which implies both French and English language instruction) favored by Mauritius. The success of Mauritius' Export Processing Zone has led both Madagascar and the Comoros to initiate similar efforts. Despite the fact that such efforts often fail, the IOC's inability to stop such zones from proliferating in the region means that its members may end up competing with one another for external investment by offering ever more generous incentive packages.

For the moment, it is hard to predict more than modest future successes for the IOC. The development goals of individual countries, linked to the current financial domination of the region by France with its own Francophone goals and perspectives, point to an organization that will struggle to reach beyond rhetorical goals to a more fully developed collective purpose. Can anything change this rather dour prospect?
Two things seem important to do. If the IOC is to stretch beyond its current modest level of activity, it must diversify its funding sources. This would mean that the organization must move beyond the French financial orbit and entice the international community to support regional activities that will do more than enhance France's regional domination. This will not be easily done, since France alone has a long track record of support for these island states and seems determined to remain a major player in the region. Several conferences and seminars were held in Paris and Reunion during 1992, specifically addressing the changing strategic and commercial environment in Southern Africa and the South West Indian Ocean. Of particular concern were long-term prospects for Reunion and fears that a post-apartheid South Africa could pose major challenges to the France throughout the region. If there is to be an alternative to French domination, it will require the IOC nations to reach past France and invite other regional powers to be supportive of their collective efforts. This can only mean South Africa, India, and Australia, perhaps joined by multilateral institutions and other international actors such as the US, UK, and Japan. South Africa, in particular, is seen as crucial to future investment and trading patterns; already there have been calls for both South Africa and India to join the IOC. Such efforts are more likely to be sponsored by Mauritius and the Seychelles than by Madagascar and the Comoros, largely because of the more diversified international contacts of the former countries. Nonetheless, until the IOC can be seen as more than a minor league Francophone organization, its chances of reaching beyond the Francophonie goals of its major benefactor seem slight indeed.

Conclusion

The development and security experiences of the island nations of the Southwestern Indian Ocean have been quite different during their years of independence. Two countries, the Seychelles and Mauritius, have experienced considerable economic success and a significant degree of political stability. The ability of Mauritius to sustain a democratic, multi-party parliamentary system while diversifying and expanding its economy marks it as one of the success stories of the developing world. Political life in the Seychelles has been more traumatic, but this has not precluded significant economic development from occurring. The other two countries, the Comoros and Madagascar, have had far more problematic experiences. Both politically and economically these two countries have simply failed to develop political institutions that could govern effectively and command popular allegiance. In turn, their economic performance has faltered badly and their economies remain among the weakest and least successful in the world.

As relatively isolated island nations, none of these countries were deeply involved in the struggles of the Cold War, and none are really important to the global economy. Nonetheless, they have all sought to build ties with more powerful countries that would be willing to provide political and economic support. In the past two decades, France has emerged as the most significant economic partner of all the island nations. French support is likely to continue to be crucial, particularly to whatever development prospects might be generated in the Comoros and Madagascar. The Seychelles and Mauritius, with more options at their command, will nonetheless continue to welcome French investment, loans, and aid.

The security situation in the island nations is likely to be more benign during the 1990s than in recent decades. The era of mercenary interventions has probably been laid to rest. The end of the Cold War removes competitive superpower interests from the agenda, and the ongoing transformation in South Africa surely removes that nation as a potential source of regional destabilization. Thus three factors that in the past have significantly intruded on the stability of the region have probably been eliminated.

What has not been eliminated is the possibility of internal political unrest. Certainly the Comoros and Madagascar, despite the democratic progress of the past two years, have not yet demonstrated that they can remain politically stable over time. The Seychelles and Mauritius are in less disarray, but the Seychelles can scarcely claim to have consolidated its transformation away from a one-party system. Were coups, assassinations, or other internal conflicts to emerge, would there likely be any international response? Much would depend on the circumstances of the nation and actors involved, but if there were to be external intervention, it would
almost certainly come from France, India, or South Africa, the three regional powers with the military capabilities to respond to calls for assistance. (The US has available assets at Diego Garcia, but it is hard to imagine the circumstances that would lead it to play a policeman role in the Southwestern Indian Ocean.)

Indian intervention in the Maldives and the joint South African-French effort to remove the mercenaries from the Comoros are models of what could occur, but obviously other scenarios are possible. One would hope, however, that there would not be competitive interventions in support of different sides; to date, there is little evidence to suggest that competition among the regional powers of the Indian Ocean goes beyond economic access and cultural preference.

Looking through the 1990s, it is certain that economic development will undoubtedly be the primary concern of all four nations. For this they will seek help wherever they can find it; certainly South Africa, India, and perhaps Australia may emerge as regional partners that can augment the assistance already flowing from France, other developed nations, and major multilateral organizations. To the degree that economic growth can be generated and sustained, that should assist in the quest for political stability. And stability would likely bring more trading partners, developmental aid, and foreign investment to this distant corner of the world. As Mauritius has shown, economic and political success can go together; the challenge of the 1990s will be for the other island nations to take advantage of the calm international situation to rebuild their domestic political structures and to engender economic growth. If successful, the Southwestern Indian Ocean could become a model for other regions in the developing world as they confront the dual challenges of democratization and development.

Endnotes

Support for this research was provided by the Defense Academic Research Support Program (Washington, DC) and the Indian Ocean Centre for Peace Studies (Perth, Australia). I am particularly grateful to Dr. Robert O. Slater, Dr. Barry M. Schutz, and Mr. Kenneth McPherson for their help along the way...

1. There are several publications that provide invaluable data on these four island nations. The Economist Intelligence Unit (London) publishes quarterly Country Reports and an annual Country Profile for each country; the Indian Ocean Newsletter (Paris), a weekly, provides current material on both political and economic affairs; the African Economic Digest (AED) (London), another weekly, provides current economic information; and the Annuaire des Pays de L'Ocean Indien, vols. 1-11 (Aix en Provence), provides broad coverage of the islands. I have particularly drawn on the EIU publications for basic ongoing data. There are three books that give valuable background information: Philip M. Allen, Security and Nationalism in the Indian Ocean: Lessons from the Lain Quarter Islands (Boulder, CO: Westview Press, 1987); Pierre Maurice and Olivier Gobin, eds., Géopolitique et Géostratégie dans L'Hémisphère Sud (Saint-Denis, Reunion: University de La Réunion, 1992); and R. T. Appleby and R. N. Ghosh, eds., Indian Ocean Islands Development (Canberra: Research School of Pacific Studies, Australian National University, 1988).

2. On middle powers, see RADM J.R. Hill, USN, Maritime Strategy for Medium Powers (Annapolis, MD: Naval Institute Press, 1986); and David R. Mares, "Middle Powers Under Regional Hegemony: To Challenge or Acquiesce in Hegemonic Enforcement," International Studies Quarterly 32, no. 4 (December 1988), 453-471. There is, of course, a huge literature on the national security policies of each of the four middle powers mentioned.


5. On Mayotte, see Olivier Gobin and Pierre Maurice, eds., Mayotte (Saint-Denis, Reunion: Université de la Réunion, 1992).


7. On the internal divisions within South Africa over the continued funding of the mercenaries, see Indian Ocean Newsletter (15 April 1989 and 9 December 1989).
11. See "Comoros," Country Profile, 1992-1993, 38; and Indian Ocean Newsletter (8 December 1990, 6 and 29 June 1992). Prior to the 1989 assassination of President Abdallah, the Galawa Sun, the largest tourist hotel in the country, was managed by Philippe Denard, Bob Denard's son.
27. Indian Ocean Newsletter (23 June 1990).
33. For a review of these speculations, see "Madagascar: A New Look for New Money," Africa Confidential 31, no. 7 (6 April 1990); "Madagascar: Ratsiraka the Juggler," Africa Confidential (11 June 1990); and Mahmood Kazi, "Mauritians lead list of EPZ investors," African Business (August 1990), 30-40.
34. A good brief review of these reviving relations is "Madagascar: Satan and the Churches," Africa Confidential 31, no. 19 (23 September 1990), 7.
42. Since 1978, the French have provided 48 percent of the external funding offered the Seychelles Development Bank. See Indian Ocean Newsletter (4 May 1991).
47. Indian Ocean Newsletter (11 April 1992).
53. The debate over the constitution is well covered in Indian Ocean Newsletter (1 August, 10 October, 24 October, and 21 November 1992).
56. Portions of this section are based upon the far longer analysis of the Mauritian economy and international relations in...
57. On the colonial history and peopling of Mauritius, see Bowman, 6-216 and 43-53. It is important to note that the Indian population itself is divided; Hindus comprise approximately 50 percent and Muslims 17 percent of the entire population.
58. On the issue of Diego Garcia, see Bowman, 157-161.
66. See *Indian Ocean Newsletter* (1 April 1989) and "Mauritius," *Country Report* (2, 1992), 21. Mauritius has also sought a reduced tax on Mauritian imports to India and an increase in the tourist allocation (from $400 to $600) for Indian visitors to Mauritius.
67. *Indian Ocean Newsletter* (23 January 1988). India also opposed Mauritius sending contract laborers to work on Diego Garcia and any Mauritius efforts to have a political rapprochement with Israel.
68. The other was the problem of Diego Garcia. For both, see Bowman, 154-159.
70. Others suggest there may be as many as 80,000 Mauritians in South Africa. See Bowman, 156 and 186.
74. For a thorough review of the Mauritian economic expansion of the 1980s see Bowman, 122-140.
76. Very little has been written on the activities and goals of the IOC. For brief reviews, see H.K. Mundil, "Regional Cooperation in the South West Indian Ocean: The Indian Ocean Commission," (Perth: Centre for Migration and Development Studies, University of Western Australia, unpublished mimeo, 1989); Armand Maudave, "Commission de l'Océan Indien," PROSI 206 (March 1986), 6-9; and *Bulletin Ilbon Sud Ouest de L'Océan Indien*, nos. 1-11 (1989-1992).
77. *Indian Ocean Newsletter* (14 April 1990).
78. On the political and sovereignty issues arising over the îles éparses, see H. Labrousse, *Les Îles Éparses de l'Océan Indien: Revendications et Droit International,* *La Revue Maritime* (December 1991), 66-74; and Olivier Gohin, "La Politique de Défense de la France dans L'Océan Indien Sud," in *Géopolitique et Géostategie dans L'Hémisphère Sud*, eds. Pierre Maurice and Olivier Gohin, (Saint-Denis, Reunion: Université de La Réunion, 1992), 359-390. Such sovereignty questions intrude on other matters as well. Efforts by the Food and Agriculture Organization of the United Nations to set up an Indian Ocean Tuna Commission has led to strong Mauritian resistance to France and Britain's assertion that they must participate to represent the interests of Tromelin and Diego Garcia; both islands are claimed by Mauritius. See *Indian Ocean Newsletter* (21 November 1992).
79. On potential activities for the IOC to undertake, see *Plan of Action for Regional Cooperation in the Indian Ocean Islands*, prepared under the supervision of Rajaoa Andriamananjara (Victoria, The Seychelles, 1989). This report is well described in *Indian Ocean Newsletter* (18 February 1989); Mundil, 11; and *Indian Ocean Newsletter* (23 March 1991), which reviews the March 1991 summit of IOC Heads of State held in Madagascar.
80. A fine map on their respective zones can be found in Vivian L. Forbes, "Exclusive Economic Zones of the Southwest Indian Ocean," *Indian Ocean Newsletter* (Perth) 7, no. 3 (November 1986), 8-10.
A large conference on international relations in the Indian Ocean region was held at the University of Reunion in September 1992.

Selected Bibliography

**The Indian Ocean: General Work**


Bruce, R.H., ed. *Indian Ocean Navies: Technological Advances*.
Australia


Diego Garcia


France


Schultz, Patrick. "Le Statut Constitutionnel et Administratif de Mayotte." Penan (Paris) 96; 790-791 (1986); 97-128.


India


Madagascar
Mauritius
The Northwest Quadrant: The Gulf, The Horn, and The Politics of Oil
Cordesman, A.H. "Western Seapower in the Gulf." (Three parts.) Naval Forces 9, no. 2; 9, no. 3; and 9, no. 4 (1988).
The Iraq-Iran War: See numerous articles in US Naval Institute Proceedings 114, no. 5 (May 1988) and 115, no. 5 (May 1989).
Seychelles

South Africa

General: Journal, Bibliographical, and Reference Sources
Africas Confidential (London), biweekly.
Africa Economic Digest (London), weekly.
Country Reports: Madagascar, Mauritius, Comoros, Seychelles (London, Economist Intelligence Unit), quarterly.
Indian Ocean Newsletter (Paris), weekly.
Indian Ocean Review (Perth), quarterly.
Madagascar, Ocean Indien (Paris), quarterly.
Marches tropicaux et Mediterranéens (Paris), weekly.
Mauritian International (London), quarterly.
Middle East Report (Washington, DC), bimonthly.
Public Affairs Information Service (quarterly bibliography).
Social Science Index (quarterly bibliography).