

# The “socialist revolution” in the Seychelles: continuities and discontinuities in economic and social policies<sup>1</sup>

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## *Abstract*

*After the “socialist revolution” in 1977, the Seychelles introduced a universal social pension, free education and free health care. This path of the Seychelles to universal social policies is unique in several regards. On the one hand, the policies were financed by economic growth triggered by a non-dogmatic economic policy that focused on three partly state-led, partly privately driven key sectors. Especially important were services (tourism, finance) that replaced the colonial plantation economy. On the other hand, the country also successfully navigated the Cold War by attracting capitalist development aid to finance “socialist” policies. Finally, social policies contributed to a relatively high standard of living and persisted throughout economic and political liberalisation.*

*Keywords: Seychelles, socialist revolution, universal social policy, social pension, free health care*

## **Introduction**

Guinea under Ahmed Sékou Touré, the People’s Democratic Republic of Ethiopia under Mengistu Haile Mariam, or the Somali Democratic Republic under Mohamed Siad Barre: these are just a few examples of self-proclaimed socialist regimes in sub-Saharan Africa that many observers would associate with low standards of living for the vast majority of the population. However, the picture is different in the Seychelles, although the political party that took power in 1977 and declared a “socialist revolution” still puts the president more than 40 years later.

The standard of living of course can be measured by different indicators. Among them is the Human Development Index (HDI), which includes life expectancy at birth, expected years of schooling, and gross national income per capita (UNDP 2015). Life expectancy is seen as a proxy for health status.<sup>3</sup> Leaving conceptual and data measurement problems aside, the HDI 2015 data in Appendix 1 show that the Seychelles is the second-best-ranking sub-Saharan African country after Mauritius (see Campling and Rosalie 2006 for some older data). A newborn baby in the Seychelles can expect to live 73.1 years and be schooled for 13.4 years, and

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<sup>3</sup> The Seychelles are free from malaria and some other tropical diseases that are linked with high mortality rates and lower life expectancy.



having parents that earn a gross national income of US\$ 23,300 at purchasing power parity (ppp) per capita. These data and the ones used later on in this contribution should of course be treated with caution. However, it is beyond doubt that the standard of living in the Seychelles outperforms almost all other sub-Saharan African countries. Still according to these data, the Seychelles also outperform Costa Rica and Brazil, two countries widely discussed in the social policy literature.

Of course, per capita income is an average value that might say little about social inequalities. Indeed, the country has a rather high Gini coefficient measuring income inequality, although the estimates vary considerably. The UNDP (2015: 217) estimate is at 65.8, considerably higher than the 45.9 indicated by the National Bureau of Statistics and the World Bank (2016: 11). Inequality seems to have increased considerably between 1999 and 2006 (OPM 2010: 4) and then decreased again (Campling et al. et al. 2011: 70). It is generally assumed that a small number of families control the economy. While this clouds the picture, a look at poverty rates reveals a much rosier picture than other sub-Saharan African countries. The data in Appendix 2 show that less than a quarter of the population lives on less than US\$ 10 a day and is thus classified as either poor or low income. While internationally standardised poverty definitions allow for comparison across countries, national poverty lines are closer to the ground. Using such a poverty line, the National Bureau of Statistics (2015: 1) estimates the poverty rate at 39.3%. However, included in this rate are people who still have a certain standard of living, and own fridges, washing machines, or air conditioners. There are remarkable regional and social inequalities in the levels of poverty (National Bureau of Statistics and World Bank 2016). In a nutshell, households of less educated, unmarried single parents living in and around the capital Victoria are most affected by poverty.

This contribution is less interested in explaining regional differences within the country, but more in the question how economic and social policies might help explain this high standard of living. What are the continuities and discontinuities in these policies before and after the “socialist revolution”? To tackle these questions, the next section discusses the political economy before the “socialist revolution”, followed by a discussion of the universal social policies and, thereafter, of the pragmatic economic and foreign policies that financed them. The next section works out the persistence of these social policies in the context of economic and political liberalisation and, most recently, a loss of the majority in parliament. After a wrap up of the results, the final section discusses some implications for the international literature on social policies and ends with an outlook.

### **The political economy before the “socialist revolution”**

Like other small countries, the Seychelles do not receive much scientific attention and not many readers will be familiar with the context. This context is thus presented in this section in some depth and with a perspective focusing on the colonial political economy. The Seychelles are an archipelago of around 115 islands, the main island being more than 1,500 kilometres away from the East African continent in the Indian Ocean. Some of the islands are of granite and have some elevation. However, many are of coral and threatened by climate change (Michel 2014: 51). The islands have a surface area of 455 square kilometres. This is a little less

than the Swiss Canton of Obwalden or a little bit bigger than the Free Hanseatic City of Bremen in Germany. This is, of course, a mainland-centric perspective. Including the maritime exclusive economic zone rich in fish and potentially minerals, the country has a surface of 1.5 million square kilometres, four times Germany (Michel 2016: 3). In 2015, the resident population was slightly above 93,000 (SPF 2015: 10).

The island was uninhabited when it became known among Portuguese and other West European seamen in the early sixteenth century. Initially, it was mainly used by pirates. Naming the islands after Vicomte Moreau des Sechelles, the French took possession of them in 1756 (Mancham 2009: ix). From 1768, French planters (the *grands blancs*) started to colonize the islands using African slaves whose descendants make up the vast majority of today’s population. As a supply station for European trade with India and the East Indies, the islands’ plantations produced fresh fruits, coconut oil, timber and tortoises for the ships, but also products for the European markets such as sugar and cotton (Campling et al. 2011: 6). With the treaty of Paris (1814), the islands were ceded to Great Britain, which administered them together with Mauritius until 1903. Mostly interested in keeping “the islands from becoming a burden on the imperial ledger”, the administration ensured that the inhabitants “received little attention and few services” (Campling et al. 2011: 8). Besides the Creoles and some French and English, the population consisted of the descendants of Chinese shopkeepers and of indentured Indian labourers brought to work the coconut plantations after the abolition of slavery in 1833. Without slaves, sugar and cotton plantations became unprofitable and were replaced by less labour-intensive coconut plantations. Copra, the dried meat of coconuts, became the main export product. It had a veritable boom in the 1940s and was still central in the early 1970s (Campling et al. 2011: 9).<sup>4</sup>

After 1888, the Seychelles had administrative and executive councils separate from Mauritius, and from 1903, the Seychelles became a crown colony on its own. Initially, representation in councils was given to some *grands blancs* only, but from 1948, taxpayers had universal suffrage and elected representation. Their Seychelles Taxpayers and Landowners Associations (STLA) fought against some reform-minded Governors such as Eustace Fiennes or Percy Selwyn Selwyn-Clarke, who wanted to raise taxes to finance social services for the Creole population or grant the Creole population suffrage and thus representation (Franda 1982; Scarr 1983, 2000; McAteer 2008). There was of course also creole activism for universal suffrage and these attempts were also influenced by shifting political majorities in London. The first attempts to create local political parties were short-lived, and both the Seychelles People’s Convention Party (SPCP) founded in May 1959 by Harry Payet and the Independence Party founded by social reformer Charles Evariste Collet in 1960 failed to make much impact (Shillington 2014). However, as a constitutional reform in 1960 granted suffrage to the Creole middle class (McAteer 2007: 282), the STLA, fearing a loss of prerogatives, called for self-government without *universal* suffrage.

This was the context of the foundation of the two key parties. The first, the Seychelles People’s United Party (SPUP), was registered in 1964 after being founded earlier in England by France-Albert René (Shillington 2014). René was the son of a plantation administrator. Sup-

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<sup>4</sup> The islands were the most important British producer of vanilla for some time. While this crop was important for small scale farmers, its value was far less than copra.

posed to study priesthood at the Capuchin Seminary of St Maurice in Switzerland, he went to England to study law instead. Following courses at the London School of Economics and having contacts in the Labour Party, the Fabian Society and among French intellectuals, he was exposed to leftist ideas. “The broad political focus of the SPUP included full independence from Britain, popular democracy based on general elections, the development of a welfare state, agricultural and fisheries development, equal opportunities, the encouragement of private investment and the defence of the majority’s right to control the country” (Campling et al. 2011: 15).<sup>5</sup>

The second key party, the Seychelles Democratic Party (SDP), was created in 1964 by the Sino-French Seychellois James Mancham and promoted integration with Great Britain to counter self-government as advocated by the STLA and independence as demanded by the SPUP (Campling et al. 2011: 14). In 1967 universal adult suffrage was finally introduced; the colony was granted more administrative responsibility three years later. The popular vote was divided between the two big parties. However, the first-past-the-post electoral system resulted in a comfortable majority of seats for the SDP (Scarr 2000: 176f.). Well aware of this, the British imposed a government of national unity with Mancham as president and René as prime minister as terms for independence on 29 June 1976. As president, Mancham had power over internal security, could appoint the cabinet and dissolve parliament (McAteer 2008: 373). Already before independence, the British were concerned that Mancham might use his power to get rid of the opposition and form a one-party state (Shillington 2014: 180).

One of the central political issues was the deep division of Seychelles society, which became manifest when the international airport was constructed by the British in 1971 on land reclaimed from the sea.<sup>6</sup> Mancham was an ardent promoter of the airport, not least because of his own international jet-set playboy life.<sup>7</sup> Being a merchant’s son and friendly to business interests, Mancham was keen on attracting international investments. René preferred a primary focus on agricultural development and was rather hostile towards the airport, fearing the negative side effects of tourism and the airport’s potential role in an armed conflict.

In this context of deep political cleavages and fears of an authoritarian turn by Mancham, there was anxiety among many supporters of the SPUP. René dropped hints about change to come, and there were rumours that he was plotting something (Shillington 2014: 202). Few, however, knew that René and a small group of intimates were secretly working on a concrete plan to overthrow Mancham. “René was determined that the coup should be seen to involve grassroots supports from throughout [the main island, dk] Mahé, so James Michel and a few others were sent round to recruit one volunteer from each of the twenty-three districts” (Shillington 2014: 201). They were told to be ready for a special project and called up when Mancham, ignoring warnings, went to a Commonwealth meeting in England in June 1977.

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<sup>5</sup> The SPUP managed in 1973 to secure recognition from the Liberation Committee of the Organization of African Unity as a liberation movement, resulting in financial support and international solidarity.

<sup>6</sup> Having potential military use in the back of their mind, the British constructed a runway long enough for contemporary long-haul aircrafts.

<sup>7</sup> Being an international playboy and spending most of his time outside the country were among the reproaches René made against Mancham to justify the coup d’état. With some vanity, Mancham toyed with pleading guilty on the first point, not without returning the reproach of being a womanizer to René, adding that his opponent was satisfied with womanizing in the domestic “chicken yard” (Mancham 1983: 210).

René distributed the guns and uniforms he had smuggled into the country in his diplomatic baggage. Still, only half of the group of 33 putschists that went to take over the Mont Fleuri police armoury and the Central Police station were armed.<sup>8</sup> Nevertheless, they succeeded and announced a “socialist revolution” on the radio. The takeover rather accidentally claimed two lives, not least because the country did then not have an army that could have countered it. René had the backing of “socialist” Tanzania and apparently also the blessing of France (Mancham 2015: 105). It took years until the population learned details about the events (Shillington 2014: 215).

Not only the main actors involved, but also many scientists describe the events as a socialist takeover (e.g. Franda 1982; Pryor 1990; Campling/Rosalie 2006; Baker 2008; Campling et al. 2011; Shillington 2014). Whether it can be considered a socialist revolution or not depends of course on the definition of a revolution. Many would include elements such as the seizure of power and the initiation of major social reforms (e.g. Giddens 1997: 503). While this was the case in the Seychelles, another key component of Giddens’ (1997: 503) definition is absent: there was no mass movement in the Seychelles. Other definitions would include a new dominant ideology (e.g. Skocpol 1982: 265). In this perspective, there clearly was a revolution in the Seychelles. René, as shown later in this contribution, justified his policies with the ideology of a socialist avant-garde party. Less clear – and this is a weakness of the term revolution – is the question whether these reforms have to be coherent and successful to qualify for a revolution. No socialist society – however such a society might be defined – emerged on the Seychelles. While the universal social policies, presented in the next section, could qualify as socialist, the economic policies, presented in the following section, hardly do so. Given this policy mix, this contribution uses the label “socialist revolution” in quotation marks.

### **Social policies before and after the “socialist revolution”**

Before presenting social policies in the Seychelles, it is important to put them into context. After the coup, a one-party state was institutionalized, there were elections without choice, and civil and political freedoms were removed (Franda 1982: 56-57). René increasingly concentrated power in his hands by gradually adding Finance, Planning and Foreign Relations to his ministerial portfolio. Furthermore, he controlled the composition of the central executive committee from 1984. Basically, René alone made government policies. Especially after an attempted counter-coup by South African mercenaries organized by exiled Seychellois and backed by the CIA (Kennedy/Pastorino 2015) and a mutiny in the army in 1982, he became increasingly authoritarian. Some old companions turned away from him. Those (supposedly) opposing him went to jail, some disappeared, and there were political murders at home and in exile, where thousands went. Real estate and businesses were partly nationalized. Some witnesses of the period, not always neutral sources, assume that real estate and businesses were in fact put in the hands of a few families. They also describe a climate of anxiety and empty roads

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<sup>8</sup> This contribution follows Shillington (2014), who provides the most detailed account of the coup d’état. Franda (1982: 49) puts the number at 60 Tanzanians and “120 more men”.

in the evenings (Mancham 2015). Despite its rhetoric of reconciliation, the government until now has never accounted for the past (see e.g. Boisbouvier 2016).

This said, there were initially also widespread excitement and a spirit of optimism that led people to volunteer for community projects. This was fuelled by a cut in ministerial salaries, an increase in the minimum wage, and other popular decisions (Shillington 2014: 218). René introduced major social reforms justified by the ideology of a socialist avant-garde party. René's social project was already outlined before the revolution. In a series of articles published in 1964 in the SPUP's newspaper "the People", René emphasised policies such as pensions for the elderly, free and compulsory education, free health care and a house-building programme among others (Shillington 2014: 102). This reflected several of Collet's earlier recommendations. These key policies were also fundamental in the constitution of the Seychelles People's Progressive Front (SPPF), as the SPUP was called from June 1978. Its aim was "to create a socialist state wherein all citizens, regardless of colour, class, race or creed, shall have equal opportunities and be afforded with the basic needs of life in a modern society, such as security of income, medical care, good and hygienic housing, free and compulsory education, opportunities for the young and care for the aged" (SPPF 1982: xvii). These were not just empty words, as became clear to the population in the following years (Shillington 2014: 229): A social pension, free education and free health care were introduced and justified with socialist ideals. This is in contrast to most other "socialist" countries which - with the exception of free education - actually rather focus on social insurance for workers and not on universal social assistance. Universal social policies were rather introduced in social democratic countries. The rest of the section describes the "socialist" social policies in more detail. In order to reveal continuities and discontinuities between these "socialist" and colonial social policies, this will be done providing some historical information.

Concerning *old age social security*, in 1971 the colonial government introduced the National Provident Fund (NPF), which catered for employees in the formal economy and provided a lump sum payment at retirement (Dayer 1974: 232; Campling et al. 2011: 76). When it was introduced, SPUP-members organized a protest march through Victoria, objecting the 5 per cent salary deduction, described as a "way of taxing the workers to provide money for Mancham and his Ministers to travel abroad" (Shillington 2014: 151-152). This view was even shared by one SDP backbencher, Uzice, who also opposed Mancham's "personal excesses" (Ostheimer 1975: 177). The available literature does not mention the reason behind the introduction of the NPF. However, it did not happen as a reaction on pressure from below. There were no powerful unions of plantation or other workers during that time in the Seychelles. However, there were "fears among the administration that without improved social welfare, violent conflict might erupt" (Scarr 2000: 164). Pressure from below started to increase only in the early 1960s and increased with universal suffrage for all adults in 1967.<sup>9</sup> However, it re-

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<sup>9</sup> In 1963, David Joubert, aligned with Mancham, founded the Government Workers' Union and later the Stevedore, Winchmen and Dock Workers' Union (Shillington 2014: 95). The SPUP formed the Transport and General Workers' Union in 1964 and later the Building and Construction Workers' Union (Shillington 2014: 121-122). The first industrial disputes started shortly thereafter. "Much of this activity also had a distinct political flavour", as the trade unions were politically affiliated (Campling et al. 2011: 66), almost equally to both main parties (McAteer 2008: 458). Those allied with the SPUP were more radical, and the members of the Stevedore, Winchmen and Dock Workers' Union replaced Joubert with René as general

sulted in the creation of the Welfare and Social Services Department in 1967 (Campling et al. 2011: 75) and probably also the introduction of the NPF in 1971.

After the “socialist revolution”, in 1979 the SPUP replaced the NPF with the Social Security Fund (SSF) (Campling et al. 2011: 78). The SSF pays citizens that have reached the age of 64 years a regular pension independent of whether they paid contributions or not. This universal social pension also includes chronically ill or handicapped persons. It was complemented in 1990-91 with the Seychelles Pension Scheme (SPS) that included a compulsory and a voluntary contributory pillar (Campling et al. 2011: 79). René was particularly concerned with the elderly and in the 1980s started to celebrate his birthday with an annual party where pensioners from every district were invited (Shillington 2014: 70, 259). His successor continued this habit.

In the field of *free health care*, René’s party already advocated it in 1964, during the colonial period (SPPF 1982: 18). Before that, reform-minded “socialist Governor” Selwyn-Clarke was far from being a socialist, but annoyed the *grands blancs* with his push for basic healthcare for plantation workers and expansion of health care facilities (McAteer 2008: 222). During the colonial period, parts of health care were indeed free. This became universal after the revolution, and private health care was banned (SPPF 1982: 192). New health care facilities on the district level were introduced. In this domain, the revolutionary policy fitted in well with the spirit of the Alma Ata declaration dominant in the international context (Künzler 2016: 11).

In the domain of *education*, nine years of free universal education were introduced in 1980 (SPPF 1982: 100). This is quite remarkable in an international context where many other countries started to introduce user fees (Künzler 2015).<sup>10</sup> Compulsory education was one of the key demands of Collet during colonial times (McAteer 2008: 125). Officials considered the idea, but argued that it was too expensive. There were other educational reforms besides free compulsory education. For example, church-related schools were nationalized, new schoolhouses were built and a free school meal was introduced (Shillington 2014: 229). The latter was also already demanded by Collet.

Finally, another key sector of social policy was *housing*. Again, this was already a preoccupation of the colonial administration and among the responsibilities of the Welfare and Social Services Department (Campling et al. 2011: 75). It was also a priority issue for René and mentioned in a newspaper interview he gave after the coup (SPPF 1982: 199). He wanted to encourage people to build their own houses by providing affordable mortgages and land that had been compulsorily purchased (Shillington 2014: 211, 216-217). In all likelihood, government did compensate below market price, and these prices were furthermore put under pressure by an overvalued exchange rate that made agricultural export unprofitable and pushed land onto the market (Pryor 1990: 234). The mortgages were financed with loans from the National Provident Fund (SPPF 1982: 64). This was a different housing policy compared to the state-owned blocks usually built in socialist countries.

Quite remarkably, René’s dearest policy idea (see e.g., SPPF 1982: 130-132) was his most unpopular and failed spectacularly. With the introduction of a compulsory National Youth

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secretary (Scarr 2000: 174-175). The lack of unity among them surely made it more difficult to push for social reforms (Os-theimer 1975: 177).

<sup>10</sup> Free education became more widespread with the Millennium Development Goals in 2000 (Künzler 2015).

Service (NYS), he wanted not only to promote national unity and socialist ideals, but also the appreciation of manual labour (Shillington 2014: 231, 238). Its introduction in 1979 saw the most massive protests against René during his whole presidency. The program was made optional and the campuses were more centrally built than envisaged by René (Franda 1982: 94). The NYS was phased out in 1998.

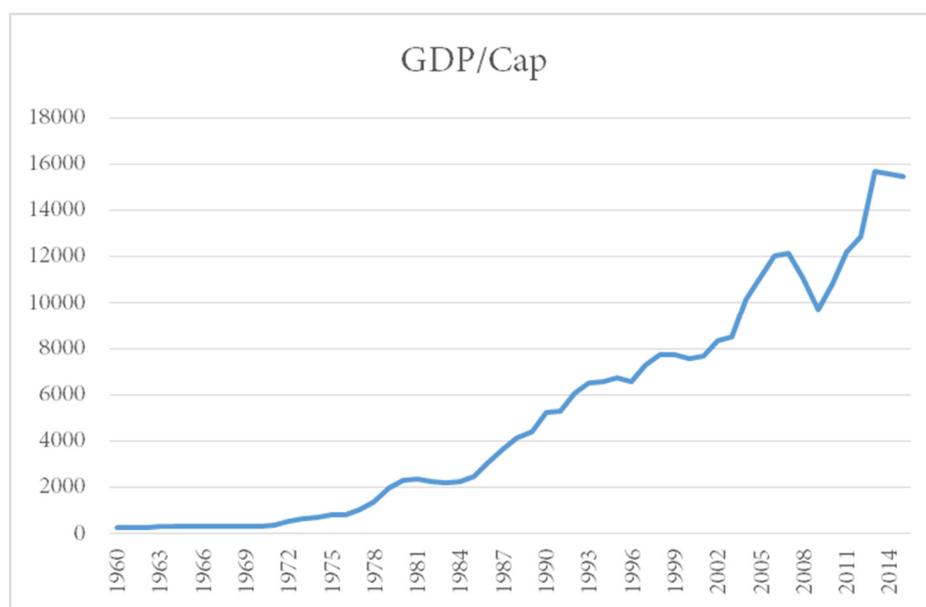
### **The economic development after the “socialist revolution”**

The NYS episode points to René’s pragmatism. The prime example of this was his skilled navigating of the Cold War (Franda 1982: 117-125; Scarr 2000: 194-200; Campling and Rosalie 2006: 121). The strategic location attracted both sides: the USA paid foreign currency for their satellite tracking station and the USSR for their passing warships. The country attracted considerable foreign aid that was used to finance its policies. “In short, Seychelles has managed the difficult feat of introducing socialism with Western financial aid” (Pryor 1990: 243). In addition to development aid, social and other policies were financed by a growing economy that focused on three partly state-led, partly privately driven key sectors (tourism, fisheries and finances). As the rest of this section shows, René’s economic policies were non-dogmatic.

The economic development of the Seychelles was triggered by the growth of tourism. As Graph 1 shows, the per capita income started to grow considerably with the opening of the airport in 1971.<sup>11</sup> Within a few years, tourism replaced copra as the key economic sector. The graph also shows that the growth even accelerated after the revolution in 1977. These figures should not be taken at face value, but as an indication of a general trend that is undisputed. Indeed, René came to terms with tourism and did not kill the goose that laid the golden eggs. While several economic sectors were nationalized, this was less the case in tourism and private investment was still possible. However, tourism was controlled by government and focused on high-price tourism not destroying the idyllic landscape (Campling et al. 2011: 21). The number of yearly arrivals grew from fewer than 1,000 in 1960 to several 10,000s in the years before the coup (Campling et al. 2011: 17; Shillington 2014: 150). The early 1980s saw a short decline in the tourism sector, caused by the world economic crisis and also by the attempted counter-coup mentioned (Franda 1982: 78; Campling et al. 2011: 22). Quality problems added to this. However, the tourism sector recuperated and in the mid-1990s, there were around 130,000 yearly arrivals. The financial crisis of 2007-2008 again caused a slump also visible in Graph 1, but tourism quickly recovered and the number of yearly arrivals grew to more than 230,000 at present. The sector contributes a quarter to the national GNP and labour force (Michel 2014: 364). However, much money leaves the country again, not least because the country imports 90% of its consumption (Michel 2014: 218). There were a few unsuccessful attempts to industrialize the country (Kaplinsky 1983: 205). They were quickly abandoned and the Seychelles continued to be open for the import of goods and capital. Self-reliance was not an option and never official policy.

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<sup>11</sup> In the framework of modernization theory, the colonial governor saw this investment as “practically the only example in the world of how concentrated and well administered aid can in a relatively short time bring an under-developed country to the economic ‘take-off’ point” (McAteer 2008: 342).

*Graph 1: Growth of the GDP/cap in the Seychelles, 1960-2014 (current US\$)*

Source:

<https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?end=2015&locations=SC&start=1960&view=chart>

The success of tourism was somewhat to the detriment of the agricultural sector. René pragmatically shifted away from his pre-coup focus on agricultural development, as unequal competition in the labour and investment markets made plantations less productive and profitable (Campling et al. 2011: 21). This was less the case for the fisheries, a new key pillar of the country's economy. As mentioned, this sector was one of the priorities of the SPUP, thus taking up earlier demands by Collet (see also Shillington 2014: 59, 124). The sector has considerable potential, given the huge size of the exclusive economic zone also mentioned above. Cold storage facilities and a cannery were developed. However, a huge boost did not come until a joint venture with Heinz European Seafood created in 1995 one of the largest tuna canneries in the world (Campling et al. 2011: 36). Around 2009, Somali piracy caused a drastic decrease in fisheries yields (Michel 2014: 57), which was reversed by the international measures against this piracy. The fisheries sector is important for foreign exchange, but not that labour-intensive.

Quite the same is true for the third key pillar of the economy, the financial sector. Information on this sector is scant. There are indications suggesting that money laundering and tax evasion took place in the “socialist” Seychelles under René (Scarr 2000: 198). The former US-ambassador Fischer, surely not the most neutral source, even claims that René organised offshore banking on the British Channel Islands when working for a bank in England in the early 1960s and used his connections to Mafia structures to develop the sector on the Seychelles (Kennedy/Pastorino 2015). However, the financial sector grew even more after economic liberalisation in 1994 (Campling et al. 2011: 37) and after the granting of immunity from criminal prosecution for large investors (Ellis/Shaw 2015: 516). Currently, there are an estimated 140,000 offshore companies in the Seychelles. According to official figures, the financial sector

employs over 1,100 persons (2.4% of the labour force) and contributes 4.2% to the GNP (Michel 2014: 287).

### **Expanding social policies in the context of liberalisation and democratic competition**

René's pragmatism also let him announce a return to multiparty government in 1991 (Shillington 2014: 274-275). Convinced of his re-election, he allowed Mancham to run in the presidential election of 1993 and did beat him clearly. He also won the next two elections (Baker 2008: 280). The election of 1998 saw Mancham being replaced by priest Wavel Ramkalawan as the most popular opposition politician. Ramkalawan merged his Parti Seselwa in 1994 with two others into the Seychelles National Party (SNP). However, multipartyism did not change much in the country. Concerning social policy, it even reinforced some "socialist" policies. Free health care and free compulsory education were preserved in the new constitution (Campling/Rosalie 2006: 119-120; Kirigia et al. 2007). Other programs were expanded, "which because of their timing and targeting (they were often discretionary in nature), have led some commentators to argue that they were geared towards achieving electoral success" (Campling et al. 2011: 80).

Writing in 2006, Campling and Rosalie were concerned about the sustainability of welfare spending. Indeed, the country became increasingly indebted in the 1990s and got into an economic crisis that peaked in the early 2000s. René had to privatise some public enterprises. However, many others have remained public until now (bus transportation, airline, ports, water, electricity, refuse, petrol, and some banks). René's successor James Michel had to deal with another intensification of economic problems in 2007 and announced macroeconomic reforms including new taxes, a floating of the national currency rupee, and an IMF-led adjustment programme (Campling et al. 2011: 82-83).

In contrast to most other examples, these reforms did not induce a demolition of social policies. On the contrary, free education policy continued, and besides school meals, there are also transport and laptop subsidies, allowances for post-secondary students and other forms of support. Free health care was also continued, and the services were expanded. The same is true for housing. Michel reported in subsequent State of the Nation addresses the progress of the promised housing units to be delivered, including the large-scale Perseverance Island project (Michel 2014: 107, 207; 2016b). The declared long-term objective is that each Seychellois family is enabled to its own house.

In the domain of old-age pensions, there have been reforms, but these again rather expanded the benefits. In 2005 the SPS became an independent institution called Seychelles Pension Fund (SPF) and pays a monthly pension and no longer a lump sum. The SSF became the Agency for Social Protection (ASP) in 2008. Its CEO Marcus Simeon mentioned in an interview on 21<sup>st</sup> December 2016 that the ASP gets one seventh of the governmental budget and the retirement pension alone receives 10 percent. The pension was raised in several steps from 2,200 in December 2006 to 3,600 and its current level of 5,050 Rupees a month and is linked to the minimum wage (roughly 325 Euros). The second last hike was announced just before the presidential election of 2015, which James Michel won with a margin of a mere 193 votes and the last one just after these elections (Michel 2016b; Uranie/Vannier 2016). Since 2009, the

governing party SPPF is called Parti Lepep (Creole for “the people”). Both Lepep and the main opposition party SNP promised in their electoral manifestos to raise pensions (Lepep 2015: 48; Seychelles Weekly 2015). Parts of the population even call for a 13<sup>th</sup> pension payment in analogy to the 13<sup>th</sup> salary that was demanded by the opposition and introduced for government employees in January 2016 (Michel 2016b). Lepep aimed at applying this to the private sector as well and since 2017, private sector workers receive a conditional 13<sup>th</sup> month pay.

While the SNP boycotted the parliamentary election in 2011, resulting in an overwhelming Lepep majority, it led an opposition coalition called Linyon Demokratik Seselwa (LDS, Creole for “Seychellois Democratic Union”) into the 2016 elections and won a majority of seats. There was thus a cohabitation government, as president Michel was elected for Lepep. He later passed his office to his Vice President Danny Faure. Cohabitation potentially leads to stalemates. However, this seems not (yet) to have happened in the Seychelles, as own interviews in December 2016 with stakeholders from political parties and social security institutions showed. The LDS wants to prove that it is a reliable alternative to Lepep and would govern responsibly if elected. For the first time, the budget is being thoroughly discussed in parliament, a novelty widely appreciated by stakeholders. The debates were broadcast on radio and television. This also attracted considerable interest among the general public, who were so keen to follow the debates that portable radios were allegedly sold out in Victoria. The consolidation of the budget continued well into 2017.

What could the cohabitation government mean for the future development of social policy? The LDS has a liberal orientation but prefers to question the implementation of key social policies rather than their universal principles. According to its manifesto (LDS 2016), the party aims at keeping “social assistance programs under review and remove partisan political considerations to ensure that all our people live free of poverty and do not face hardship because of lack of opportunity, personal disability, health or old age.” Its leader Roger Mancienne repeatedly emphasised in an interview with the author<sup>12</sup> the acceptance of key social policies such as free education, free health care and social assistance by both the LDS and the population. However, he also emphasised repeatedly the need to improve the implementation of these policies and the need to avoid abuse. The need to improve implementation and avoid abuse was frequently mentioned by former president James Michel in his State of the Nation speeches (Michel 2014: 246; 473; 2016). Peter Sinon, Deputy Secretary-General of Parti Lepep, argued similarly in an interview, again adding that the universal social policies are generally accepted: “Free education, free health care and access to affordable housing, this social policy is the legacy of SPUP/SPPF/Lepep and not challenged by any other party. It cannot be wiped out.”<sup>13</sup> After wrapping up the key argument, the next section turns to the challenges of the key universal social policies in the Seychelles.

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<sup>12</sup> Interview Roger Mancienne, leader Linyon Demokratik Seselwa, 22 December 2016.

<sup>13</sup> Interview Peter Sinon, Deputy Secretary-General Lepep, 22 December 2016.

### **A unique path to universal social policies and its future**

The “socialist revolution” in 1977 clearly discontinued colonial social policies in some fields. Concerning old age social security, a universal social pension replaced the lump sum payment at retirement for employees in the formal colonial economy. In the field of education, there were calls for compulsory education during colonial times, but free education was only introduced after the “socialist revolution”. The universalisation of free health care was less radical as health care was already partly free during colonialism. There were other policy changes, among them a quite unusual housing policy. While this seems to point towards the importance of revolutionary ideology for policies, the picture is more nuanced.

The Seychelles stroke a unique path to universal social policies in two regards. First, the economy of the Seychelles was – in contrast to other plantation colonies – within a few years after independence no longer based on plantations, but on services (tourism, finance). This is also in contrast to other post-colonial “socialist” countries in sub-Saharan Africa, whose economies were based on agricultural, energy or mineral commodities. With an isolated and small domestic market, industrialisation was not an option and the Seychelles kept an open economy. Pragmatic and hardly “socialist” economic policies focused on three key sectors that were partly state-led, partly privately driven. Tourism, for example, was controlled by government without completely nationalising it. Continuous economic growth helped to finance social policies. In addition, the country also successfully navigated the Cold War by attracting capitalist development aid to finance “socialist” policies. Social policies contributed to a relatively high standard of living and persisted throughout economic and political liberalisation.

Second, the Seychelles are also unique when looking at the international literature on social policies. In other British plantation colonies such as Mauritius, British Guiana or Trinidad and Tobago, old-age pensions were introduced much earlier in reaction to strikes and riots between 1935 and the late 1940s (Seekings 2006, 2011). At that time, pressure from below lacked in the Seychelles, as there were no powerful unions of plantation or other workers. The dispersion of the plantations (and thus the workers) over many smaller islands might have contributed to this. Fears of social conflicts led the colonial administration to introduce the NPF, which was not a universal social pension. However, this was introduced in 1979. While this is late compared to plantation colonies such as Mauritius and Trinidad and Tobago (Seekings 2008), it happened considerably before universal pensions became a global model (von Gliszczynski 2015).

The universal social policies are generally accepted and will most likely not be challenged by the current cohabitation situation after the change of majority in parliament. On the contrary: domestic politics tend to lead to an expansion of social politics, as the example of the 2015 election shows, where the main two parties both promised a higher pension in their manifestos. Nevertheless, there are three main challenges to these social policies. The first one is the ageing population. The median age is somewhat over 30 years and thus remarkably higher than most other African countries. While still younger than European societies, the Seychelles have an increasing need for old-age care. The precursor of the earliest nursing home dates back to the governorship of Fiennes just after World War I. Fiennes distributed monthly money to poor people, but also built a home for poor people that later became a go-

vernment-run old-age home for those without means (McAteer 2008: 18).<sup>14</sup> Before that, destitute people were confined together with leprosy patients on an island. Currently, there are nine old-age homes that are not able to cope with the demand.<sup>15</sup> The Seychelles introduced in 1987 a home care program for the elderly and later expanded it to chronically ill persons and persons with disabilities (Campling et al. 2011: 80). To reduce abuse, the system was reformed in 2009. Basically, predominantly female family members are paid to provide home care for half a day or a full day. The second challenge is financial sustainability. The government not only uses 10 percent of its budget for the social pension, but also bears the increasing costs of the home care program. There are discussions about the introduction of a means test for the social pension or a higher retirement age, but such reforms are not popular among the electorate. The third challenge is climate change, a fundamental threat to the coral islands of the archipelago. In the later years of his presidency, James Michel was diplomatically active in the name of Small Island Developmental States. However, his main interest was the vision of a blue economy (Michel 2016a). He argues that the conventional “landcentric approach” ignores the fact that most of the earth’s surface is covered by oceans. These oceans contain a huge economic potential to produce energy, not only through offshore oil fields, but also through wind energy and the production of energy based on waves and currents. They also supply mineral resources and have a higher nutritional potential than is currently used. While Michel emphasised a combination of environment and economy, he did not consider the potential conflict between these two interests. However, it might well take another revolution to preserve the “socialist” one he helped to build and sustain.

## Appendices

### *Appendix 1: Human Development Index HDI (2015)*

HDI rank	Country	HDI	Life expectancy at birth	Expected years of schooling	Mean years of schooling	Gross National Income (GNI) per capita (2011 ppp US\$)
3	Switzerland	0.930	83.0	15.8	12.8	56,431
63	Mauritius	0.777	74.4	15.6	8.5	17,470
<b>64</b>	<b>Seychelles</b>	<b>0.772</b>	<b>73.1</b>	<b>13.4</b>	<b>9.4</b>	<b>23,300</b>
106	Botswana	0.698	64.5	12.5	8.9	16,646
110	Gabon	0.684	64.4	12.5	7.8	16,367
116	South Africa	0.666	57.4	13.6	9.9	12,122
122	Cabo Verde	0.646	73.3	13.5	4.7	6,904
187	Central African Republic	0.350	50.7	7.2	4.2	581
188	Niger	0.348	61.4	5.4	1.5	908

*Note: Mauritius, the Seychelles, Botswana, Gabon, South Africa and Cabo Verde are the best scoring sub-Saharan African countries. For comparison, the two worst performers of the continent and Switzerland are added to the list. Source: UNDP 2015*

<sup>14</sup> While it was popularly known as “Kazern” (army barracks), this home, as McAteer (2008: 18) adds, “most probably placed Seychelles ahead of many other British colonies in their official attitudes to the poor”. Fiennes also introduced by ordinance the obligation of the Government, but also of direct relatives and employers to care for dependent people.

<sup>15</sup> Interview Marcus Simeon, CEO Agency for Social Protection, 21 December 2016.

*Appendix 2: Poverty rates*

HDI rank	Country	Gross national income (GNI) per capita (2011 ppp US\$)	% of population that is poor or low income (various years, 2011 ppp US\$)
3	Switzerland	56,431	0.25
63	Mauritius	17,470	57.54
<b>64</b>	<b>Seychelles</b>	<b>23,300</b>	<b>23.59</b>
106	Botswana	16,646	77.17
110	Gabon	16,367	83.51
116	South Africa	12,122	72.63
122	Cabo Verde	6,904	78.66
187	Central African Republic	581	97.21
188	Niger	908	99.02

*Note: poor live on US\$ 2 or less a day, low income on US\$ 2.01-10 daily. Source: <http://iresearch.worldbank.org/PovcalNet/>*

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