

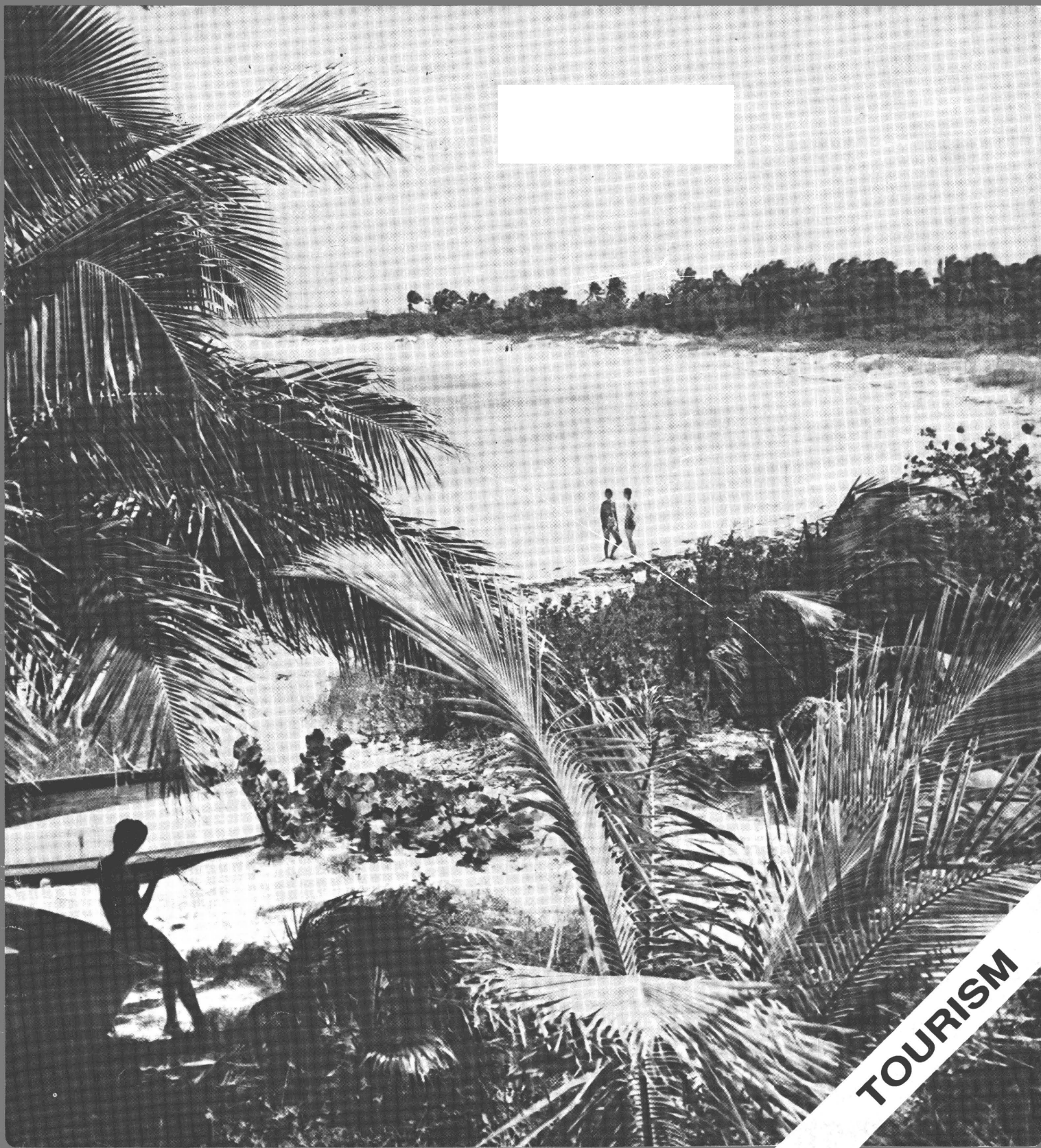


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AFRICA-CARIBBEAN-PACIFIC—EUROPEAN COMMUNITY

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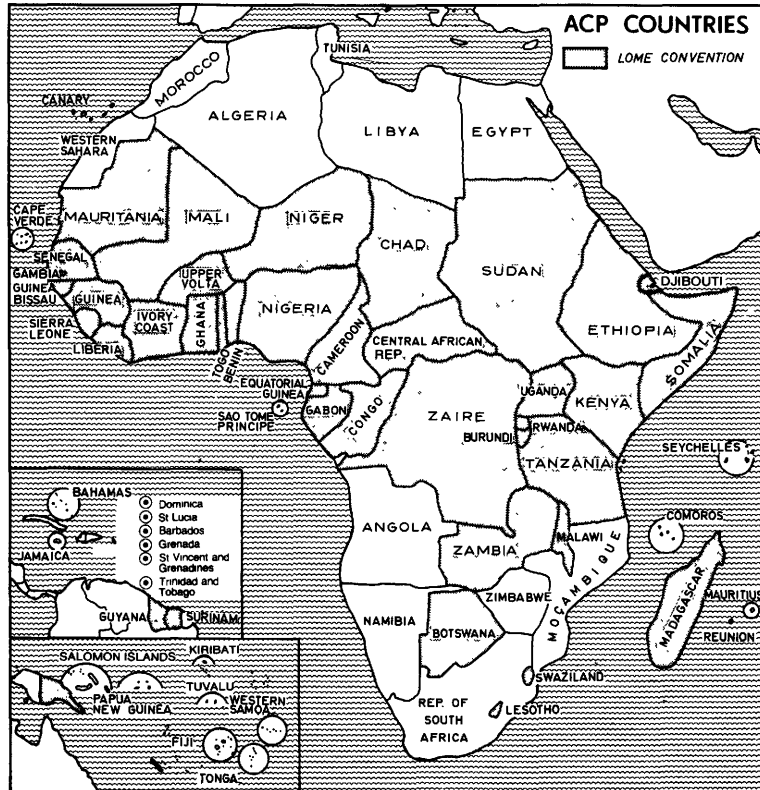
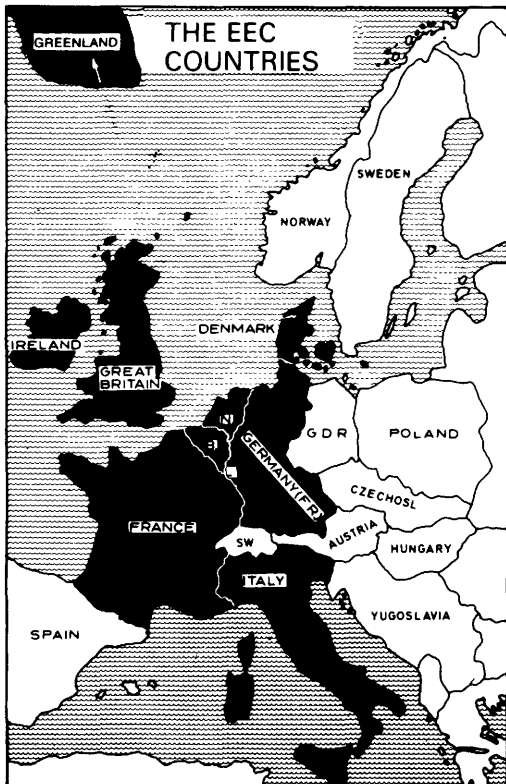
TOURISM

THE EUROPEAN COMMUNITY

BELGIUM
DENMARK
FRANCE
GERMANY
(Federal Rep.)
IRELAND
ITALY
LUXEMBOURG
NETHERLANDS
UNITED KINGDOM

THE ACP STATES

BAHAMAS	GRENADA	ST. VINCENT and GRENADINES
BARBADOS	GUINEA	SAO TOME PRINCIPE
BENIN	GUINEA BISSAU	SENEGAL
BOTSWANA	GUYANA	SEYCHELLES
BURUNDI	IVORY COAST	SIERRA LEONE
CAMEROON	JAMAICA	SOLOMON ISLANDS
CAPE VERDE	KENYA	SOMALIA
CENTRAL AFRICAN REPUBLIC	KIRIBATI	SUDAN
CHAD	LESOTHO	SURINAME
COMOROS	LIBERIA	SWAZILAND
CONGO	MADAGASCAR	TANZANIA
DJIBOUTI	MALAWI	TONGA
DOMINICA	MALI	TONGA
EQUATORIAL GUINEA	MAURITANIA	TRINIDAD and TOBAGO
ETHIOPIA	MAURITIUS	TUVALU
FIJI	NIGER	UGANDA
GABON	NIGERIA	UPPER VOLTA
GAMBIA	PAPUA NEW GUINEA	WESTERN SAMOA
GHANA	RWANDA	ZAIRE
	ST. LUCIA	ZAMBIA



FRANCE

(Overseas departments)

Guadeloupe
Guiana
Martinique
Reunion
St Pierre and Miquelon

(Overseas territories)

Mayotte
New Caledonia and dependencies
French Polynesia
French Southern and Antarctic Territories
Wallis and Futuna Islands

NETHERLANDS

(Overseas countries)

Netherlands Antilles
(Aruba, Bonaire, Curaçao, St Martin, Saba,
St Eustatius)

UNITED KINGDOM

(Overseas countries and territories)

Antigua
Belize
British Antarctic Territory
British Indian Ocean Territory
British Virgin Islands
Brunei
Cayman Islands
Falkland Islands
Montserrat
Pitcairn Island
St Helena and dependencies
St Kitts, Nevis and Anguilla

This list does not prejudice the status of these countries and territories now or in the future.

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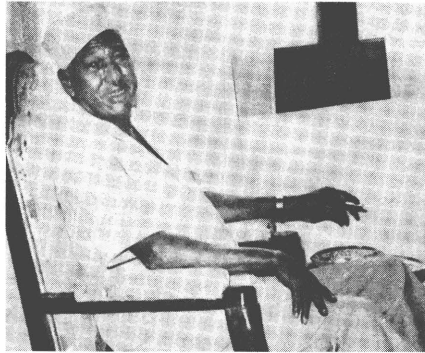
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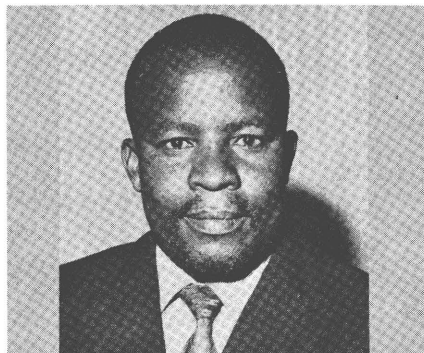
NEWS ROUND-UP (Yellow pages):
ACP Council of Ministers in Jamaica

Overview — A former magistrate and then health minister, Simone Veil of France was elected President of the European Parliament after the European elections in June 1979. She looks back over the new Parliament's first year, and also ahead, to the Parliament's role and activities, at her own job as its leader and at the place of the Third World in the major issues before the Parliament. **Page 3**



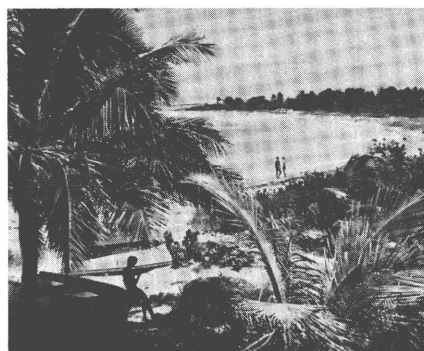
Djibouti — The Republic of Djibouti has set an example of political stability in the troubled Horn of Africa since achieving independence, on 27 June 1977. President Hassan Gouled Aptidon, who is particularly concerned with consolidating national unity, wants more foreign aid because the country's meagre resources cannot cope with the present drought and the influx of refugees. Our report on Djibouti three years after independence: **Page 9**

Botswana — Botswana's small population is spread over a country bigger than Kenya and its pioneer spirit has opened up an economy, based on cattle and mining, which has grown in real terms by 12-14% annually since independence in 1966. President Sir Seretse Khama, who died on 13 July, left behind a country with a parliamentary opposition and a per capita GNP of more than \$ 600. The *Courier* interviewed his successor, the former vice-president, Dr Masire. **Page 26**



Europe — Our feature on women Euro-MPs continues with the third and fourth biggest political groups at the European Parliament, the European Democrats and the Communists. Lady Elles and Mrs Elaine Kellett-Bowman speak for the former, which only has six women out of 64 members; Mrs Danielle De March and Mrs Vera Squarzialupi for the latter, which has 10 women members out of 44. **Page 42**

Dossier — Tourism seems unaffected by international recession; more and more money earned in the industrialized countries is spent on holidays abroad. Many ACP countries, which can offer sunshine during the northern winter, tropical wildlife and a rich variety of art and crafts, see the tourists as a promising source of foreign exchange. But tourism—a curious product that is sold in one country but "consumed" in another—needs to be handled with care at both ends if its negative aspects are to be avoided. **Page 68**



A product which is consumed abroad but bought at home

The international tourist trade has expanded rapidly over the last 25 years and, until recent economic setbacks, it was generally felt that the travel trade would grow increasingly. This was largely because of rising standards of living, more leisure time (particularly in the industrialized world), a need for the ever-increasing numbers of city-dwellers to get away from it all and relax, better transport facilities and lower prices due to dynamic competition by large numbers of travel agents.

But the 1970s cannot be compared to either the late '50s or the '60s, which were the periods of greatest prosperity in the industrialized countries. The good time lasted until the early '70s and then, in 1973, came growing economic problems. Tourism, which was not a basic necessity, should have been the first to be hit by the crisis—at least, this seemed to be the general feeling. But so far it has turned out to be wrong.

One or two years apart, tourist expenditure and income have grown over the last quarter century. In the '60s, the OECD tourist committee reports indicated that world tourist receipts expanded by an average of 15% p.a., which, bearing in mind price rises, corresponds fairly well to the increase in the volume of international tourism and puts this sector among the rapidly developing economic activities. And what has happened since the world crisis began? Certainly there was a drop in 1974 when the increase in world tourist receipts was held to 8.9%. But, in 1975, the figure rose to 13.1% and, according to figures from the World Tourist Organization (WTO, based in Madrid), 1978, with a 24% increase, was a record year. In 1979, earnings went up by 15.4%, which was comparable to the average for the '60s.

How did these somewhat surprising results come about? No doubt the European tourist, in particular, is increasingly drawn to the south and to the sun, and goes further and further to get what he wants. No doubt people from "new" countries are playing an increasing part in world tourism—Japan is an outstanding example of this trend. But, it has to be realized, in the industrialized world that travel is no longer a luxury. It is available to large sections of the population, thought to be a necessity and, indeed, a right that the general introduction of paid holidays legalized, on a more modest scale, after the war. Many people apparently prefer to tighten their belts so they can go on holiday, some in their own countries, others to neighbouring countries and others further afield.

It is also worth noting that tourist spending is fairly concentrated geographically, far more than tourist earnings. In the '60s, 12 of the richest countries accounted for 80% of expenditure and two thirds of income. Today's spending is comparable, provided Japan is taken more into account. The other countries are the USA, the Americans being major spenders at home and abroad, and the countries of western Europe where the tourist trade is a source of both income and expenditure. France, Italy and the UK are the only countries in the EEC, however, which have positive tourist balances.

The ACP countries have a number of trump cards here—the sun, their beaches, their climate and, in certain cases, their photographic safaris. But above all, there are the customs, the ways of life, the dancing, the rhythm and the ritual objects that attract tourists. Although not the least interested in ethnology, they are anxious for the unusual, the wealth of art and craft inherited from the past or linked to present

traditions that an increasing numbers of developments, particularly illustrative of negritude, have brought to the notice of a wide public that began to discover negro art after World War I. Cubism and surrealism, exploring abstraction, the subconscious and new forms of expression, and Picasso, Matisse, Modigliani and the German expressionists saw symbols in African art; in its statuettes and masks, they found justification for their figurative distortion of the human face and body.

But there is a negative side to a tourist trade between countries with very different civilizations and standards of living. Many hotels in the developing countries are run by foreign people and firms and not all the staff are nationals either. So a certain percentage of their earnings goes abroad.

The tourist trade can cause pollution and deteriorate sites and socio-cultural structures in the host country. The lone tourist could, if he wanted, make contact with local people and get fairly integrated, but, if he is with a party, with its group travel and standard hotels, he remains on the fringe of the country he is visiting. If he is on a tour, his behaviour and ignorance may shock, as a book called *The Golden Hordes*.

The way of dealing with the negative aspects of tourism may be to train reception staff but, most important, to inform and educate the tourists themselves, by teaching them to respect what is different. That needs a warm heart, an enquiring mind and awareness of the equality of people everywhere.

○

ALAIN LACROIX

Interview with Simone Veil

President of the European Parliament



JÉRÔME CHATIN

« What we are really doing is assessing the work of a different parliament »

The first impression of Simone Veil is of her lively green eyes, framed by a severely smart hairstyle, and of her calm and deliberate manner, which her strong enthusiasms can change as swiftly as her smile. Her controlled energy quickly gives a deeper impression: that Mme Veil means to give of her best in what she does and sincerely believes what she says.

Deported as a young girl during World War II, she has had an unusual career. After studying law, then politics at the Institut d'Etudes Politiques in Paris, she became a magistrate and was the first woman secretary-general of the Conseil supérieur de la magistrature. With no previous political experience she was appointed health minister in May 1974 and gradually came to top the French opinion polls for popularity. Heading the UFE (1) list of candidates for the European elections in June 1979, she gave up her ministerial post and was elected President of the European Parliament on 17 July 1979.

In the first EP sessions last September and October she needed all her energy, adaptability and patience. The new parliament, with more than twice as many members from nine countries, inevitably made hers a

complicated job; but she has dealt with the problems, ridden out the storms and taken hold of the European Parliament to the extent of becoming a leading international figure, not only in Europe but in the world at large.

In this "overview", where an examination of current affaires allows a look ahead to the short- and mid-term future, Simone Veil answers the *Courier's* questions on three subjects: on the work and role of the European Parliament, on her view of her job, and on the place of the Third World in the major issues debated by the Parliament.

I — The European Parliament and its role

► *The first directly elected European Parliament celebrated its first anniversary on 10 June 1980, and the last session before the summer recess has just been held. What is your assessment of the work of the Parliament over the past year?*

— First of all, I should like to say that, although it is usual to take stock of a year's activity, some care is called for in doing so. In fact the year has been a series of 11 very short part-sessions; it doesn't amount to many days' work and, during this time, we have had to overhaul our working methods, our

organization and, to a certain extent, our rules of procedure, as this parliament is quite different from the previous one. The MPs are different. They are now elected by universal suffrage and many of them have never been MPs in their own countries. And the administration is more involved, as the needs are greater. The members are more concerned with parliamentary activities and a number of them have no other jobs. They concentrate more on parliamentary work, as is apparent from attendance at committees. And they also expect more documentation from the administration and give it a lot more work.

A new Parliament

So what we are really doing is assessing the work of a different parliament. I

think we have shown that many of the fears expressed during the election campaign were totally unfounded and have been completely belied by the facts. Some people, for example, said that, as soon as the Parliament was elected, it would be demagogic, attempt to exceed its powers and take decisions about anything and everything. But no such thing occurred. There were one or two attempts, but the Parliament in general never followed suit—quite the contrary. It has been completely responsible and proved to be anxious to keep within its powers, exercising its authority without going beyond the institutional framework.

► *Public opinion in Europe has long tended to think that Community affairs are dominated by the technocrats. But the flare-up of political forces during the election period was something new*

(1) Union for France in Europe, most members elected on this list belong to the Liberal group in the EP.

and dynamic in the history of Europe. However, the Parliament's power is limited by the Treaty of Rome and, outside budget matters and the power to dismiss the EEC Commission, it can only make resolutions. How do you think it can make its presence felt more in the future?

— I think the Parliament is already making its presence felt, even when simply giving an opinion, when, after properly prepared debates, it makes clear resolutions that have been taken by a large majority and, most important, that are precise and concrete and can really guide the EEC Council in its work. So I think that, even when debates are aimed at producing consultative resolutions, they have an influence at two levels—at the level of their impact on public opinion and at the level of the EEC Commission and Council.

I also think a distinction should be made between two sorts of debate. There are debates on international policy and there are debates of a technical order, when opinions are given on questions put forward by the Council. I think that in both cases, the important thing is the preliminary work that the parliamentary committees and the political groups put in, to ensure that the debates are sound ones that will give greater weight to the resolutions. After all, the national parliaments have a number of major debates where no votes are taken and this does not stop them from being important and influential.

"It is perfectly true that we have problems with the regulations"

► *The general public has the impression that the European Parliament had a fairly hard running-in period and that it spent a lot of time on procedural issues which were made worse by working conditions that were not suitable for 410 MPs from nine—soon to be 10—different countries. What do you think?*

— The first thing is that this got a lot of coverage because, when we held our debates on procedure, one or two members turned them into polemical and picturesque affairs and the press is always more interested in things like that than in the very technical issues that make up most of our work. However, it is perfectly true that we have problems with the regulations—our rules of procedure have proved to be unsuitable for an assembly which is much livelier, much larger and more vigorous than before, with one or two MPs representing small political minorities but wanting to express their views in a forceful manner. Our sessions are short and, if many of the 410 MPs want to speak, the rules have to be improved and adapted. And as we need a qualified majority to alter the rules of procedure, this is difficult.

So even procedural debates, those where we are altering the rules, often

prove difficult because some people are anxious for us to be generous, even lax, and allow everyone to speak for as long as they want. That is physically impossible. We have to realize that all our national parliaments had a long running-in period and that they only adapted their written and unwritten rules slowly, and sometimes adopted unanimously accepted habits and traditions. We can't do this yet, in just a year, but it is clear that practical things are changing and, perhaps, that alterations that might have been envisaged a year ago are no longer exactly what would be called for today.

► *What do you think about dual mandates and the relations between national parliaments and the European Parliament?*

— This first time, dual mandates have certainly been a good thing because they have enabled a link to be maintained between the old assembly and its working methods and the new Parliament. It has also meant that there have been ties with the national parliaments. But now it is clear that it is getting difficult to be a conscientious European MP as well as a national one.

I know some people manage. Some European MPs sit in their national houses and still manage to be very efficient and to attend regularly here. I sometimes wonder how they do it, because the European Parliament is very time-consuming.

"If you have suffered a lot from a situation yourself, you hope it will change in the future and that the lessons of the past will have been learnt"



JERÔME CHATIN

But as far as the future is concerned, I think we should be seriously wondering about this. The answer will come from the development of the Parliament's activity. If it expands as it seems it should, then it will be increasingly difficult to combine European and national functions. This will mean reflecting, as we in fact are already doing, on links with the national parliaments. I also wonder whether links with the national parliaments ought not to be institutional ones with the European Parliament, involving more practical contact and organized exchanges between the various committees, rather than individual links between the MPs themselves. It is perhaps this slightly different approach that would ensure the real dialogue and coordination that are so essential between the European and the national parliaments.

The rejection of the budget "was not a fit of pique"

► *We hear more about the European Parliament than ever. In particular, a lot is said about the debate on the budget. I am not going to ask you to describe the whole process that has just been completed, but what conclusions do you draw from it?*

— Far too much was made of the fact that throwing out the budget was an institutional act which the European Parliament hoped would show the new-found authority conferred upon it by its new method of election. What I really think is that this was a political stand on the substance of the budget, rather than an institutional stand. It was not a fit of pique. What the European Parliament wanted to do was express its concern at the increase in agricultural spending, which was likely to absorb an increasingly large part of the Community budget since there is a ceiling to the resources available and there was a desire to develop other Community policies too. It was sounding the alarm about the spread of expenditure and about the nature of the budget. The budget ultimately adopted was not as different as one might have expected although the Parliament achieved an increase in non-obligatory spending. The important thing was to draw attention to the impasse we shall reach in the budget in a year or two, bearing in mind the ceiling on own resources. The warning was heard by the governments, which undertook to reflect upon the matter, and by the general public, who were much less aware of the situation and woke up to the fact that there was a problem. I think this is very important.

► *A lot is heard about the European Parliament, more than ever before. But*

various surveys suggest that the average European has a very hazy idea about what goes on in the European Parliament. Don't you think there should be a drive to provide more information and explanation?

— Generally speaking, the people of Europe don't know what goes on in their national parliaments. I am always struck by the fact that people who are very well up on public affairs are astonished, when they sit in on a debate in their national parliaments, at how things are done and that they are very hazy about what passing laws involves. Very often, the voters' picture of the MPs in general is confused with their picture of individuals who are in the limelight because of particular affairs that may concern them personally. This happens at local rather than at national level, where the MP is involved in passing laws and dealing with the budget. With the possible exception of the United Kingdom, because of the electoral system which is the same as for the House of Commons, the European Parliament is not called upon to deal with problems of local interest. Their role seems particularly vague. So people imagine it discussing major issues, often questions of international politics, on which it can be difficult to

motivate the public, or very technical questions concerned with the running of the common market which only interest those directly concerned.

The common agricultural policy is of considerable interest to the farmers and they know what it is all about. But other people aren't really bothered. However, the professional organizations, be they unions, workers' organizations, agricultural associations or employers' organizations, keep up with our debates.

II — Madame President

► *When did you first become interested in the unification of Europe?*

— I have been in favour of the European idea instinctively for a very long time, since the end of World War II. I have always thought we should do our utmost to put an end to conflict between the countries of Europe and the launching of pro-European ideas fulfilled a need in me—and made me regret that the appeal of Briand and Stresemann was not taken seriously enough by their generation. Europe was a very great hope. If you have suffered a lot from a



**In the course of a press conference in the United States
The president of the Parliament "represents the whole Parliament and must be its guarantor, and spokesman at one and the same time"**



Simone Veil with President Carter

"It is important to find out now the Parliament is viewed and what sort of role it can play vis-à-vis the various countries"

situation yourself, you hope it will change in the future and that the lessons of the past will have been learnt. You have to draw the necessary inferences—which means not forgetting what has happened and falling into the same traps again. It also means being able to change one's outlook and adopting an attitude of reconciliation. There must be no more fighting in Europe.

► *Do you have the impression that the people who suffered most from World War II are now more committed to the idea of Europe than others?*

— Absolutely. This struck me particularly during the European elections, although there were one or two exceptions. Some people wrote to say, "how can you believe in the unification of Europe after what we lived through, after what the Germans did?"

But these are often people who did not suffer directly. Most of the people who actually suffered personally do not want revenge but want lasting peace. That was clear.

► *Is it very time-consuming and tiring being president of such a Parliament?*

— Yes, it is. The travelling is tiring and so are the sessions. And if I don't chair a session, there are still meetings with the Bureau and so on. And I have to receive MPs who have problems, and meet delegations from all kinds of organizations, and ambassadors who come to make contact with the European Parliament. So the work is very demanding and difficult. In the new par-

liament there are some jobs that are rather badly defined. Take the vice-presidents, for example, the Bureau vis-à-vis the enlarged Bureau and the committee chairmen whose powers must be clarified if they are to fulfill their functions. And the breakdown of work between the parliamentary delegations and the committees has not yet emerged clearly either. All this has to be organized little by little. It will be done empirically. Conclusions will have to be drawn from both the satisfactory relations and certain difficulties that now exist between competing forces.

► *How do you see the job of president? What sort of person do you think the president of such an assembly should be?*

— That is a fairly difficult question to answer because it is impossible to compare with national parliaments. Ours is something very special and we have to accept the specific nature of it and reflect upon it in the light of the role we have to play and in the light of the balance of the various institutions. The president of the European assembly is very different from the speaker in the House of Commons or the president of the French national assembly, who is a political figure and retains an important political role within the majority.

"Neither a speaker...nor a leader of the majority"

In our European Parliament, the jobs of vice-president, chairmen of commit-

tees and heads of delegations are distributed on a proportional and not a majority basis.

So the role of the president has to be borne in mind, as must the fact that, in accordance with the Treaty of Rome, the president of the assembly has particular powers as far as the budget is concerned and that our rules of procedure provide, in principle, for the president to be the sole representative of the Parliament in all outside contact.

So I think that, in view of this, the president is not a speaker. Nor in view of the special role of the president of the European Parliament, can he or she be the leader of a majority or a group. He or she represents the whole Parliament and must be its guarantor, and spokesman at one and the same time.

► *Aren't you a little nostalgic about the time when you were health minister or, even earlier, when you were a magistrate and secretary-general of the magistrature?*

— I think one should never be nostalgic about the past. The job I have been doing for the past year has been an extraordinarily enriching experience for me. I am deeply involved with the job and I am determined to do my best to see that the Parliament really can help construct Europe and give it new dynamism which it is in great need of at the moment.

► *Now a more trivial question. You aren't looking for stardom, of course, but you are careful about your image. Is this why you wear those Chanel suits?*

— A great deal has been said about my Chanel suits. I think a lot less is said about those worn by other figures, even political ones, and by the wives of politicians, who wear them a lot.

Quite simply, a suit is a handy thing to wear when your day starts early and goes on late. Some parliaments have special garb for the president and, when it comes down to it, this simplifies matters. It's a bit like a judge's robes. There is no need to bother about what you're wearing.

► *You have done a lot of travelling over the past year. You have been received in the USA, you have just got back from Yugoslavia and so on. Some people say you travel too much. What is the point of all these trips, do you think?*

— First of all, I think it is an opportunity to make contact and obtain information, which I feed back into the Parliament via the Bureau, to which I report



JEROME CHATIN

"I think it would be a very good thing to have women's views expressed on the Commission"

on my trips. Then, it is important to find out how the Parliament is viewed and what sort of role it can play vis-à-vis the various countries.

And it is also a way of getting our parliament onto the map. We want to have a sound image. We want our work to be known and I think the best way of doing this is via the trips which I and other MPs make.

The press coverage in Yugoslavia, for example, was important, and I think this particular trip was an opportunity to advertize the European Parliament and what it has already achieved.

"I am certainly a feminist"

► *In the Europe section of our magazine, we have been featuring the women in the European Parliament—there are 68 of them. Our survey is now being completed and we get the impression that they are all very interested in their job, and that they are particularly interested in improving women's status and in seeking proper equality—which has not always been achieved, as far as either pay or career prospects are concerned in the countries of Europe. So I should like to know whether you are a feminist and what you think about women's status in Europe today.*

— Yes I am certainly a feminist. I should even go so far as to say that, of all the commitments one has in life, of all the things one is interested in and is willing to fight for, this is one of the priorities, to my mind.

There is a serious problem as far as women are concerned at the moment, a major problem which, I think, is much more serious than men sometimes realize. Women have the same education as men and they feel that this opens the way to exactly the same rights, the same career prospects and the same political, economic and social responsibilities. But this is not so, even if the law says it should be.

The difference between women's legitimate aspirations, what they feel they are entitled to, bearing in mind their education, the environment and the promises they have been given, and what they can actually do is sociologically and politically dangerous.

Women who have the feeling they have not attained certain legitimate aspirations, who are regarded as second class citizens or victims of their social situation, anywhere in the world, will feel bitter and among some generations this will bring about distortions which could threaten social cohesion, the balance between couples and the future of family life.

► *And there is no reason why men should refuse women what they give themselves—a fulfilling career. The Parliament's ad hoc committee on women's rights has said it hopes to see three women on the next European Commission. Do you think this would be a good thing?*

— I think it would be a very good thing. Since the Commission is supposed to be a collective body, it makes

sense for some of the members to be women.

This is not just a desire for equality. It is more because, personally speaking, I think that women see problems differently—the problem of their status, but not just that—and that they pay particular attention to certain issues. So I think it would be a very good thing to have women's views expressed on the Commission.

► *Your term of office as president is up in January 1982. Do you intend staying at the European Parliament afterwards?*

— Indeed I do.

III — The status of the Third World

► *The Community's Third World policy is the most important after the common agricultural policy—at least it is the most structured policy the EEC has produced to date. Do you feel that the European MPs are interested in and aware of the growing interdependence between the developed world, particularly Europe, and the Third World?*

— Generally speaking, I think, the people of Europe know very little, far too little, about it and the European MPs are perhaps some of the most aware. Rather more than 100 of them sit on the ACP-EEC Consultative Assembly, which really does give them

the opportunity to discuss these problems. Then there is the joint committee and the MPs that sit on that do a lot of work and are really very involved with these problems. So there is considerable involvement and interest, which is obvious when the subject comes up in parliamentary debates.

But I think we should go a little further. Some aspects of Lomé I and, indeed, Lomé II were the result of the work of the European Parliament.

But, for the moment, I am not convinced that all the MPs have sufficiently woken up to the very dramatic consequences of the oil crisis for the developing countries. We are not really properly aware of the situation in those which are non-producers and which have been very much harder hit by the crisis than our own countries have.

We are sometimes a bit shortsighted and tend only to see the problems of the industrialized world. Because we are major consumers of energy, we think our crisis is more serious, whereas they have reached the point where, financially and economically, they are completely unable to support the consequences.

Many developing countries are in serious debt

The situation is an extremely serious one. I think the debate we shall be holding in September on world hunger, which will obviously go further than hunger seen from a strictly humanitarian angle, will be the opportunity for a broad exchange of views on all these questions.

So I hope we will manage to get everyone very well aware of the problem, not just the MPs, but the general public of Europe as well. The general public are not aware of the gravity of a situation which is forcing many developing countries into drastic debt.

► On 31 October 1979, you went to Lomé for the signing of the new Convention. Do you get the impression that the European MPs really feel that Lomé II has brought something practical and positive to our troubled world?

— Certainly I do, although we have not really had the opportunity for debates on this subject since the new Convention was signed, except during

discussion of the budget. But the issues have nevertheless been well covered in the political groups, particularly on the occasion of the preparation of the Arusha meeting, the work done on the joint committee for the forthcoming ACP meeting in Luxembourg and the committee on development.

► Do you have the impression that Europe has no great causes to defend today and that it should be given some? Interdependence with the developing countries, for example, the need for European solidarity and perhaps a drive to adapt modern Europe to the realities of the end of the 20th century?

— I very much hope that this will be the subject of our concern in the coming year. I think it will become apparent right away in our September debate, which should put public opinion in the picture about solidarity between Europe and the developing countries. But I also hope we shall hold debates about Europe itself both its present and its future. ○

Interview by
ALAIN LACROIX



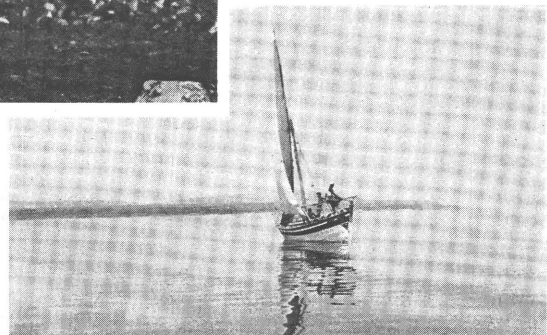
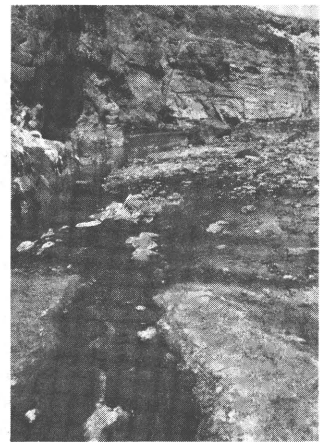
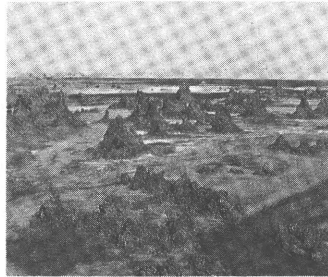
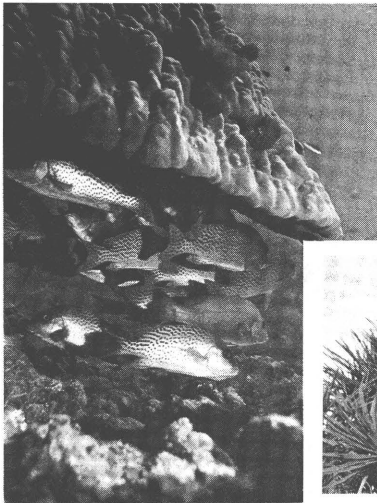
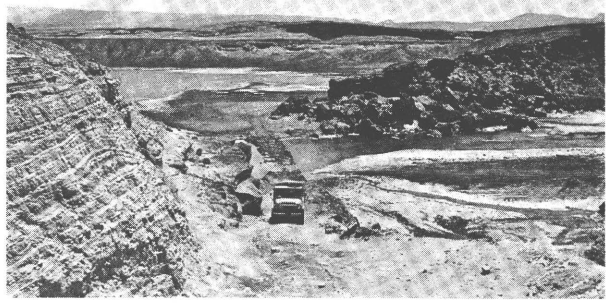
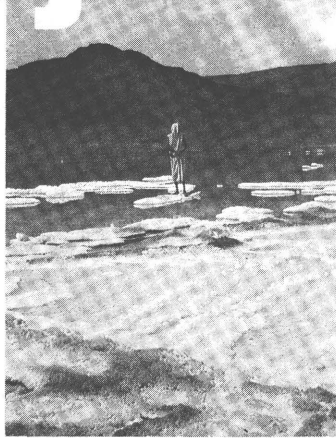
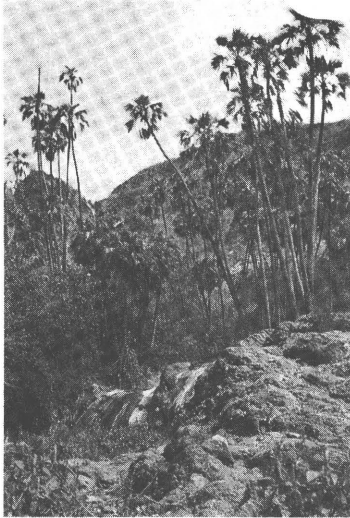
An ACP gathering in Marseille, May 1980

Simone Veil with (l. to r.) Paul Fabre, head of the Marseilles chamber of commerce, Mauritian ambassador Raymond Chasle, chairman of the ACP committee of ambassadors, and Marseilles mayor and MP Gaston Déferre



REPUBLIC OF

djibouti



Djibouti in its third year of independence

Djibouti's independence was proclaimed on 27 June 1977 and Hassan Gouled Aptidon was unanimously elected President of the Republic by the National Assembly. On the third anniversary, the *Courier* asked the President to review these first three years of independence and to say how he saw the future of the young republic.

In the course of a very frank interview, President Hassan Gouled placed particular emphasis on his desire to consolidate national unity, as "we are all citizens of Djibouti".

The 60-year old President, an experienced politician of Issa-Somali origin, is called "Le Vieux" by his compatriots and his reputation for wisdom increases further as the years go by. For the post of Prime Minister, he

appointed Barkhat Gourat, an Afar and a former member of the French senate. Six of the 15 members of the government are of Issa-Somali origin, six are Afars and there is one Gadaboursi (another branch of the great Somali family) and a Yemeni.

The President is trying to make his country a haven of peace and stability for the Horn of Africa, one of the trouble-spots of the world. He is aware of Djibouti's strategic geographical position and limited resources and is hoping for more external aid, particularly from the EEC. His approach to his country's future is realistic yet confident, but he is worried about the extent of the drought and the dimensions of the refugee problem. More than 10% of the population of the republic are refugees.

Hassan Gouled Aptidon President of the Republic:

"Djibouti is a land of peace and refuge for the whole region"

► *As President since independence in 1977, how do you see these three years of independence in a part of the world where there is so much tension?*

— The first thing that can be said about the Republic of Djibouti is that our part of the world now has a country which has no quarrel with any other and which is a land of peace and refuge for the whole region. I have tried, during these early years of independence, to strengthen the factors of peace in Djibouti, so that my country can serve as a basis, through the brotherly, harmonious relations that I have insisted on establishing with all the other countries of the region, for the establishment of the profound and lasting peace that is vital if we are to achieve social and economic development for our people.

► *On the second anniversary of independence, in June 1979, you announced that unity had been achieved and said a new era was beginning in which your social and economic facilities would be developed and your first industrial operation, the Tadjourah water*

scheme, would come into operation. How do things stand at the moment?

— This new era, one of economic and social development, has in fact begun. But I have to say, first, that, because of my country's resources, this economic development has to be financed by international aid and this aid, which is given for properly planned schemes, often takes a long time to be implemented. This means that we do not have as many schemes going at the present time as I should like. But the study dossiers are being compiled and we should soon have a dairy, a tannery, a cement works and various industrial processing and packing units.

► *The two essential sectors for your country's economic life are the port and the Djibouti-Addis Ababa railway, I believe. What is the situation like at present and what is the outlook concerning these?*

— The port and the Djibouti-Addis Ababa railway, plus, of course, the airport, are very important aspects of my country's economic life and they are



President Hassan Gouled Aptidon with President Giscard d'Estaing of France at the Elysée Palace, May 1980

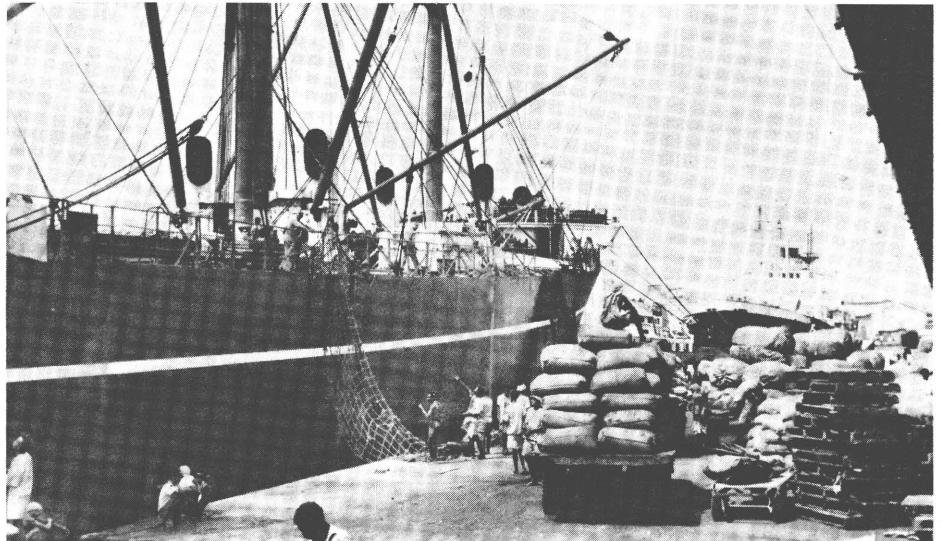
also important as far as strengthening the stability of the republic is concerned, as they provide services for all national and foreign users. Government policy has therefore been to try to keep this infrastructure in good condition and to adapt it to new trends in international traffic. We have extended the parking areas for big commercial aircraft and a container terminal will shortly be built in the port. Studies on improving railway traffic are also under way.



Parisian journalists surround President Hassan Gouled and (left) his minister of foreign affairs and cooperation, Moumin Bahdon Farah

► *Djibouti is currently suffering from the effects of a severe drought which is wiping out whole herds of camels, goats and cows, the only wealth the nomadic people have. What are you doing to combat this drought?*

— The first thing we did was to call on national and then international solidarity. We could not have left these destitute people to await international help, so we mobilized all our available resources to give them immediate help and then we distributed the aid which the international community provided. But, alongside this emergency aid, we are working on a longer-term scheme to avoid such catastrophic situations occurring in the future—our nationwide well-boring campaign, our livestock health improvement schemes and our creation of grazing areas.



The port of Djibouti is essential to the economy



The President visiting a model farm

► *This drought pushed up the number of refugees. How big is your refugee problem now?*

— Because there are so many refugees they pose the republic serious economic problems. The cost of social facilities is expanding faster than the economy and this is likely to hold back economic development unless we get more international aid direct to the refugees themselves and indirectly to the republic—which is responsible for a large part of the aid.

► *Djibouti needs foreign aid to develop. After your official trip to Paris recently, how do you see the role and importance of French aid to your country and what do you think about bilateral aid from the other EEC countries?*

— The bilateral aid we get from the Community countries is the outcome of cooperation and mutual understanding

between the peoples of states linked by cooperation agreements. So I think that French aid reflects this permanent exchange of problems and solutions connected with development and bilateral relations.

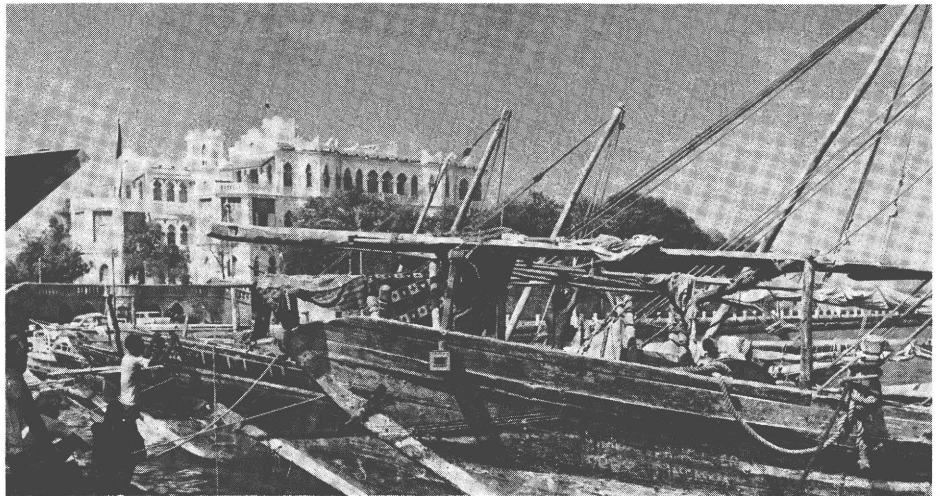
As to the other member states of the Community, we are trying to show them what the economic and social situation of the people of Djibouti is, so that a better understanding of it all will generate close, sincere cooperation.

This cooperation is already materializing—we have aid from Germany and Italy and development projects are being implemented in such important areas of the economy as the port and geothermal energy.

► *Iraq granted you a fairly large amount of aid at the end of May after a visit by your Prime Minister, Barkhat Gourad, to Baghdad. What other foreign aid do you get?*

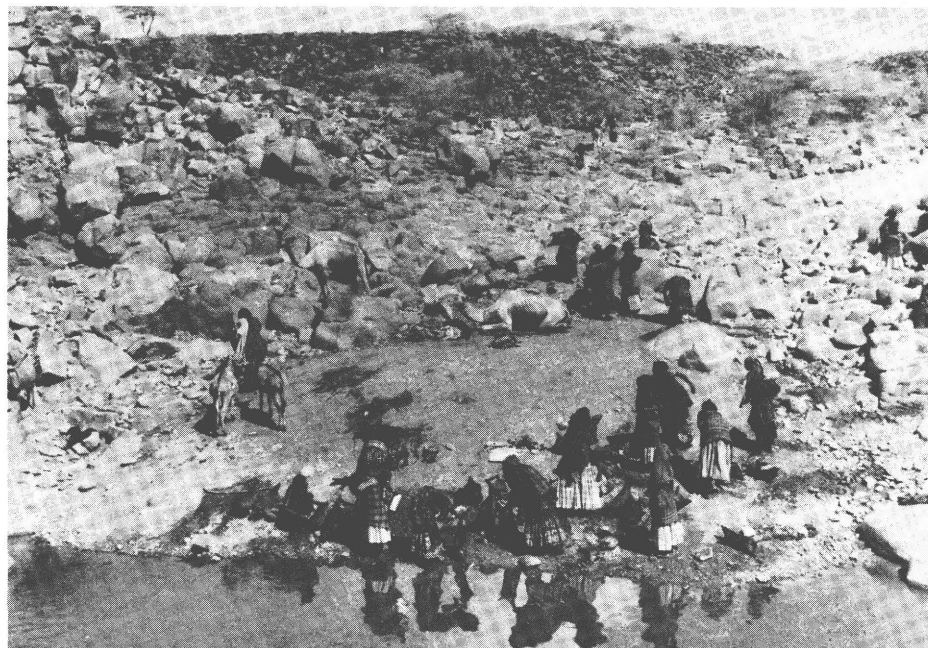
— As I told you at the beginning of our talk, what marks Djibouti out is its desire to strengthen its traditional ties and to increase cooperation with all countries, regardless of their political options. Many cooperation agreements, involving varying amounts of money, have been signed with a large number of countries—Iraq, Saudi Arabia, Kuwait, Libya, China and the countries of the Gulf. And we also get assistance from international development bodies like the EDF, the ADB and the UNDP, and we shall shortly be getting aid from the World Bank too.

► *During your trip to France, I believe you went to Font-Romeu and saw the solar installations at Odeillo. In view of the exceptional amount of sun-*



AFRIQUE PHOTO

Red Sea fishing boats moored in front of the presidential palace in Djibouti



SERVICE INFORMATION

Watering-point in the Grad Dourra district: some parts of the country have had no rain for two years. The drought from which Djibouti is suffering is an extension of that hitting the Sahel once more and is having serious effects on agriculture, livestock and the health of the population

sources for our energy supplies. The government feels that the development of geothermal energy is a fundamental priority for, as well as cutting our trade deficit, it would lower energy costs and encourage industry.

► *What do you think about the Lomé Convention and EDF aid?*

— Lomé is a unique kind of cooperation as it combines two groups of countries, the member states of the European Communities and the ACP group. It is fully in line with Djibouti's desire for cooperation between states, regardless of their political colour. However, EDF aid needs to be stepped up if it is to play a fundamental part in economic relations with the developing countries and to ensure that these countries are not to be tempted, for financial reasons, to align themselves politically with the countries that give most aid. And a greater effort should be made for the Republic of Djibouti as it has only just become independent and it is lagging behind with its economic development.

○

Interview by ALAIN LACROIX

shine your country gets, do you think it could develop similar installations?

— Unfortunately, the development of solar energy does not just depend on Djibouti, where we do indeed have unlimited supplies of the raw material, if I can call it that. It depends on the development of the relevant technology and this is still in its infancy and very expensive. We are monitoring developments with interest, as we hope to see Djibouti develop solar energy facilities and have experimental solar energy stations set up here.

► *Isn't geothermal energy a possibility?*

— We are also making a big effort with research in this field, as we are currently totally dependent on outside



The President during his conversation with Alain Lacroix

The birth of a nation, or the will to live

Djibouti is mid-way between the Equator and the Tropic of Cancer. Its position on the east coast of Africa where the Red Sea meets the Gulf of Aden, between Suez and the Far East, with the rich provinces of Abyssinia nearby, gives it strategic importance.

The country has both continental and maritime frontiers. It has a 520 km frontier to the north, the west and the south with Ethiopia, and to the south west with Somalia; and a 370 km coastline from Ras Doumeira in the north to Loyada in the south. Djibouti's total area is 23 000 km².

Mount Moussa Ali, 2020 m high, is in the north and along the Gulf of Tadjoura runs a vast mountain chain that includes the Goda massif (1750 m), the Day primary forest and the Mablas massif (1380 m), the only parts of the country with any permanent plant cover.

In northern Obock the coast is flat and sandy, merging into a vast desert-like plain, the west bank of the Bab El Mandeb straits where the Red Sea joins the Indian Ocean.

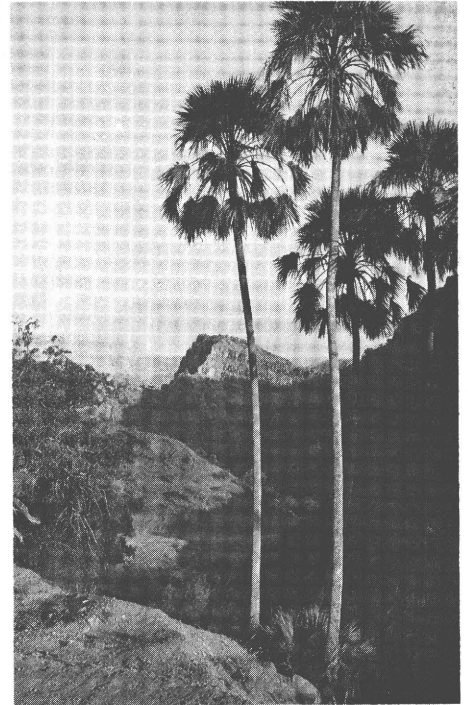
Stern cliffs tower over Goubet Al Kharab, a large bay linked to the sea by a 750 m-wide gully with a small island in the middle. To the north-west of Goubet lies Lake Assal, a vast depression 153 m below sea level, edged by banks of salt and gypsum.

Southern Djibouti is a series of parallel depressions separated by tabular plateaux, leading on to regular plains suited to the nomadic way of life. There is the plain of Hanlé, the largest, 35 km × 20 km, and further south the Gobaad plain, east of Dikhil. And there is the Gagadé plain in a depression parallel to Hanlé but further east.

Lastly, on the western edge of this region is the famous Lake Abbé, with its limestone pillars and its flamingoes.

A third of a million people in one of the hottest places on earth

Djibouti has a hot, semi-arid climate and, in all areas but the mountains, the temperature is high and fairly constant. Humidity on the coast is particularly high. There are two seasons: a cool



In the hills: a vanishing species of palm tree on Mount Goda

season from October to April, like a Mediterranean summer with an average temperature of 25° and an east wind that brings rain, and a hot season from May to September, with an average temperature of 35° with two hot, burning winds—the south-westerly Sabo and the north-westerly Khamsin. May and September are transitional months when the winds change and the resultant calm brings even greater humidity.

People from many places have come to this land, the traditional route between Egypt, the Sudan and Arabia, a crossroads between East Africa and Asia, and played an important part in forming the nation.

The republic has about 350 000 inhabitants and 180 000 of them live in the capital, the town of Djibouti. The districts into which the country is divided, Ali Sabeih, Obock, Dikhil and Tadjoura, each have up to 30 000 inhabitants and the rest of the population are nomads who live in the bush.

There are several different ethnic groups. The Afars and the Somalis, most of them Moslems, are Semites, traditionally are called western Semites to distinguish them from the Egyptians and Berbers. There is also a large community of Arabs of Yemenite origin in Djibouti.

The Afars and the Somalis speak different languages (Cushitic languages belonging to the Hamito-Semitic family), but they are both tall and slender with



Djibouti town. Foreground the market square and mosque (white minaret). Background, the plateau du Serpent, with the plateau du Marabout to the left and the plateau du Héron behind

regular features and stately bearing and they have identical ways of life—as warriors and nomadic herdsmen.

However, the population is tending to settle today and more than half the people of Djibouti now live in the capital and the towns and villages of the interior.

Strengths and weaknesses of the nomadic way of life

The whole life of the nomadic family is devoted to its only asset, the herd of goats or camels. Their camps, clusters of huts that can easily be dismantled and carried on camels, are only temporary.

The branch-framed huts, or toukous as they are called, are covered with woven mats or boiled bark pulled into fine strands and plaited. One or two mats, some camel skins, a few household utensils made of wood or plaited fibre, goatskin water bottles and traditional weapons (lances, daggers, axes, shields and so on) are usually the nomads' only possessions. A small Somali tribe, the Tonnal, have a thriving craft tradition and specialize in making daggers and other arms.

Their diet is a frugal one—one meal a day, most of it supplied by the herd. There is abundant game in some areas but the nomads are no hunters, having an undeniable respect for inoffensive beasts. Like many nomadic peoples they neither go fishing nor eat much fish, although the Gulf of Aden and the Red Sea are richly stocked.

“Birth of a nation”

The title of this famous silent film by the great American producer Griffith is an apt introduction to the history of Djibouti.

With the completion and inauguration by the Empress Eugenie of the Suez Canal, Ferdinand de Lesseps' great feat of engineering, in 1869, the Red Sea gained world-wide importance. France felt it needed a supply base for its navy somewhere between Suez and Saigon and, having fixed on the southwestern shore of the Red Sea, accordingly began contracting treaties of friendship with local chiefs in 1862.

The French settlement began with the treaty of 4 March 1862, whereby chiefs in the Obock region were to be paid a large amount of money in exchange for mooring rights along the Obock coast and the territories between Ras Doumeira and Ras Ali.

On 14 December 1884, Thous, the Sultan of Gobaad, gave France the Gulf



SERVICE INFORMATION

Nomadic herdsmen wearing the traditional dagger

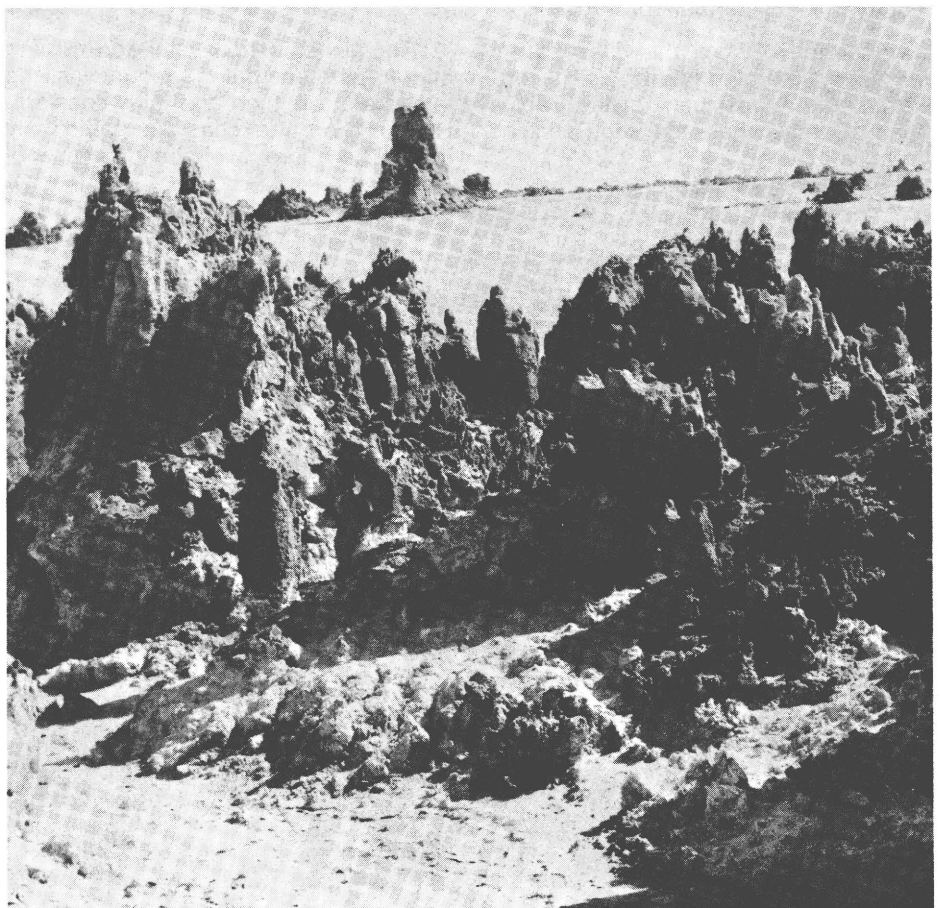
of Tadjoura. The two treaties were approved by a French government decree on 21 August 1885. A third and final treaty was signed on 2 January 1885 with Sultan Ahmed Loita, this time transferring the convention on trade and friendship of 9 April 1884 into a territo-

rial donation and establishing a French protectorate in the Sultanate of Gobaad. On 26 March 1885, the chiefs of the Djibouti area also signed a treaty of “eternal friendship” recognizing the French protectorate.

Ras Djibouti was occupied in 1888. Governor Lagarde of the Obock region went to set up a new capital in Djibouti. In 1892, the seat was moved there and, by 1895, there were already 5 000 inhabitants. Work on the Djibouti-Addis Ababa railway began in 1898 and the capital of Ethiopia was reached in 1917, providing a vital outlet to the sea.

After World War II, in 1946, Djibouti was made an overseas territory, with its own elected assembly. The *loi cadre* of 1956 added a government council, chaired by the governor of the territory, which had the job of managing local affairs.

However, in 1958, with the process of decolonization that France set in motion throughout Africa, independence movements emerged, gradually gaining momentum to culminate in the referendum of 19 March 1967. The results of the vote were disputed but still led to a change in administration. Although Djibouti's ties with France remained, the country now became the French Territory of the Afars and Issas.



Calcium deposits and sulphurous smoke-holes around Lake Abbé (the name means “rotten”): thousands of pink flamingos, ibises and pelicans find it a congenial spot

Profile of Djibouti

Date of independence: 27 June 1977

Area: 23 000 km²

Population: 350 000

Main religious sect: Islam (92%)

Capital: Djibouti (180 000)

Main cities: Obock, Tadjourah

Languages: French and Arabic (official), Afar, Somali

Political system: Republican

Sole political party: Rassemblement populaire pour le progrès (RPP)

Head of State: Hassan Gouled Aptidon

Member of: UN, OUA, Arab League, Lomé Convention and the ACP group of states

Currency: Djibouti Franc (£1 = FrD 390, \$1 = FrD 160)

Gros National Product in 1978: US \$ 14 million (World Bank estimates)

Main resources(1):

Livestock: 500 000 goats, 300 000 sheep, 30 000 cattle, 5 000 donkeys, 20 000 camels

External trade(2)

— **Exports:** DF 3 154 millions (1978); main clients: France, Ethiopia

— **Imports:** DF 28 667 millions (1978) Main suppliers: France, Ethiopia

Education: 1977

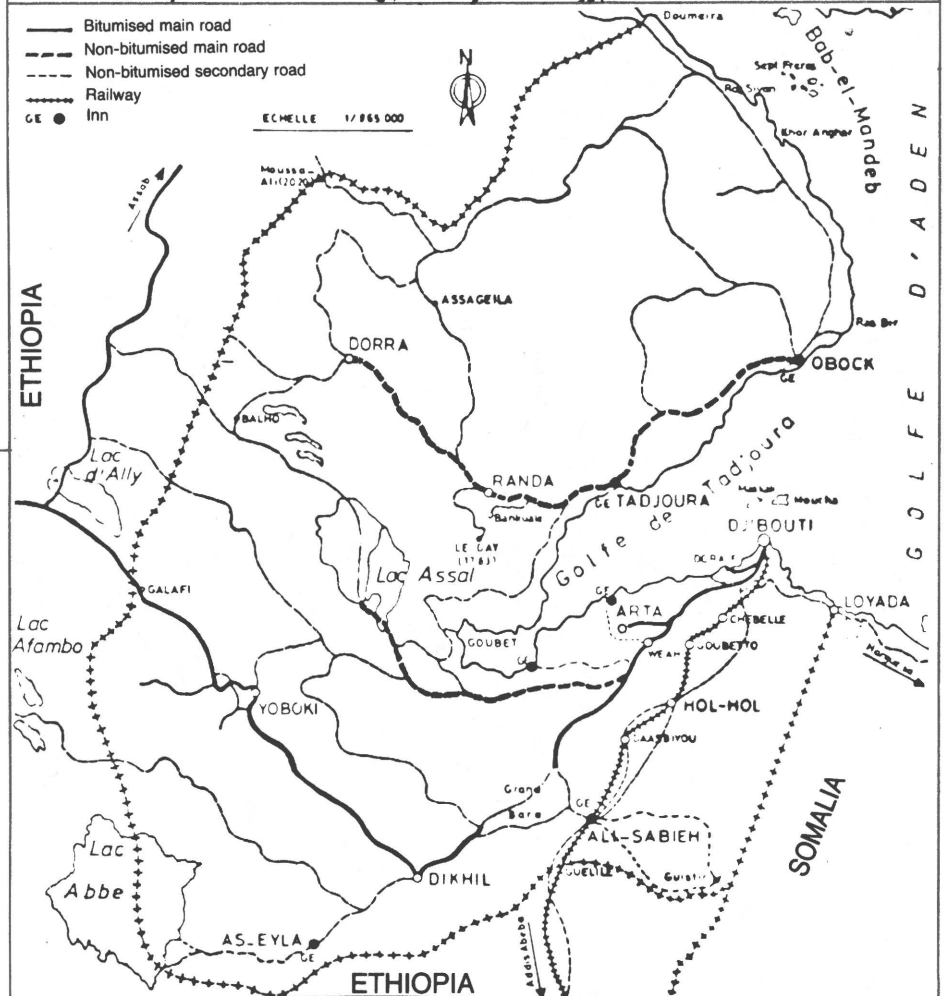
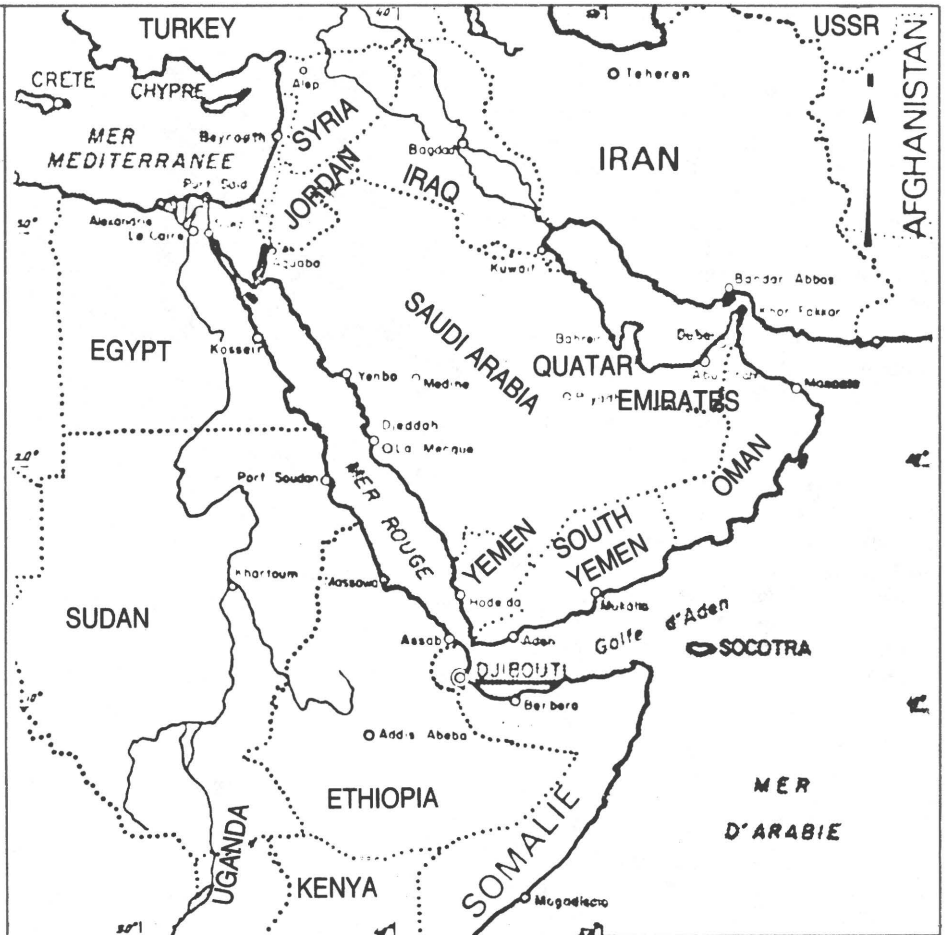
— **Rate of literacy:** 40%

— **Primary:** 15 000 pupils

— **Secondary and technical:** 4 000 students.

(1) 1978 estimates of the Ministry of Livestock and Fisheries.

(2) Source: Bulletin statistique.



A smile of welcome from Djibouti

D. CHIARINI

Independence, 27 June 1977

In 1975, the long-standing pro-independence movement gathered strength and all the political parties began demanding national sovereignty. On 31 December of that year, the French president announced that the French government recognized that Djibouti should become an independent state.

On 8 May 1977, an overwhelming majority of the people of Djibouti voted for independence, which was proclaimed less than two months later, on 27 June.

So the ex-French Territory of the Afars and Issas became the Republic of Djibouti. Hassan Gouled Aptidon, El Hadj (as a Moslem he has made the pilgrimage to Mecca), was democratically elected President of the Republic by a unanimous vote in the national assembly.

His first task was to consolidate national unity and, under his leadership, the Republic of Djibouti has been recognized as a full member of all the major international organizations.

On 27 June 1980, on the third anniversary of independence, the head of state said that the young republic and its president would remain true to the declaration made in New York on 21 September 1977 when Djibouti became a member of the UN. In the republic, he said, freedom and human rights, as defined in the universal declaration, are fully respected. All citizens are free to come and go as they please, to decide where they want to live, what job they want to do, how they wish to be edu-



Moumin Bahdon Farah
Minister of foreign affairs and cooperation

cated and to express themselves without fear of the consequences.

External relations

A nation has to do more than be born. It has to be able to exist. Moumin Bahdon Farah, minister for foreign affairs and cooperation, outlined Djibouti's diplomatic position to the *Courier*.

"It is sad to see that our part of the world is a troubled one and that events are escalating and could make matters worse", he said "But Djibouti's relations with both Ethiopia and Somalia are based on our position, which is reasonable, clear and generally known—it is a

position of neutrality. Our relations with Ethiopia and Somalia at the present time can be said to be good, excellent, in fact".

The minister felt that Djibouti's strategic position had its advantages and its disadvantage. "We are near the great oil wells that supply Europe. This is an advantage in that our country can attract the capital and aid from foreign countries without which it would never get its economy off the ground, and it has given us a certain maturity, a spirit of dialogue and cooperation with the countries that respect our sovereignty".

There are some 3 600 French military personnel in Djibouti in accordance with the protocol signed on independence and these, plus the cooperation officials and all the families, add up to a community of about 10 000 Europeans all told, most of them French, whose spending is an important factor in the country's economy. But the foreign minister stressed that there was no point in harping on either the various claims which emerged as soon as independence was mentioned or on the troubles currently affecting this part of the world. The French soldiers are there simply to protect the country from external aggression.

"And because of the good relations between our two countries, we have decided to ask France to train our young army. Our government wants to maintain cooperation relations with France as long as they are in the interests of the young state of Djibouti. On 27 June 1977, we signed a number of cooperation agreements with France, covering many fields—education, the army and the secondment of trained staff in particular. It goes without saying that we have cooperation with France in almost every field, we have recently signed a cooperation agreement on scientific research. There is considerable cooperation between the two countries and it is expanding day by day".

The minister went on to talk about other sources of foreign aid, "Iraq is giving us a lot of help with our economic and social development, and the economic and technical cooperation agreement signed with that country provides for partial financing, in the form of a US \$ 25 million loan, for a cement works (producing 300 000 t), a loan of US \$ 1.5 million for the National Bank of Djibouti, a grant to finance a project to build 150 low-price units of accommodation, the supply of an analytical laboratory for ISERT (the republic's higher institute of scientific research), the supply of two tractors for the agricultural sector, technical assistance with the sinking of a number of boreholes and a study on producing salt

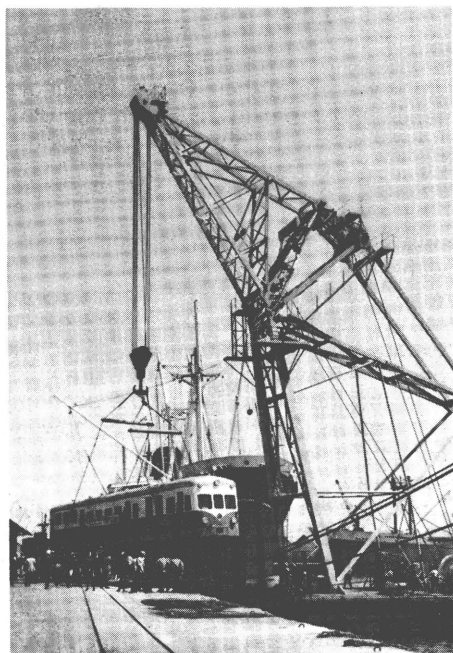


Rainwater for survival: the nomads live close to nature

and other minerals from Lake Assal. Iraq has also offered to give a plane to Air Djibouti and a Mystère 20 for the President of the Republic. So, overall, Iraq is giving us aid worth something like \$ 60 million, \$ 26.5 m of it in the form of loans.

"Generally speaking", the minister said "our country has inherited an economy dominated by the tertiary sector, based on the port, the railway and the airport. But the troubles in our part of the world have considerably reduced the activity of the port and the railway and this dramatic situation has forced us to look to friendly countries for help. So certain Arab countries have given and are still giving us valuable help with our economic development. They are, in order of importance: Saudi Arabia, Iraq, Libya and the countries of the Gulf. We have also signed cooperation agreements with Pakistan, nationalist China, Korea and the People's Republic of China and we have had a small amount of help from other Arab and African countries too".

But there is still not enough foreign aid. "Alas, it does not provide for all our needs for a real economic take-off". The minister expressed particular disappointment with the amount of 5th EDF aid. He thought that it was very inadequate bearing in mind that, last year, his government has taken a major initiative and given privileged treatment to goods from the European Community. The consumer tax on all imported products was raised to 25% except for Community goods, which are taxed at 20%. Over five years, this 5% represents a loss of more than the amount provided by the 5th EDF.



Rolling-stock being unloaded in the port of Djibouti



AFRIQUE PHOTO

A Yemeni instructor teaches children market gardening at the Ambouli Centre

Aden Robleh Awaleh, minister for trade, transport and tourism, recently returned from a mission to Brussels where he talked to EEC development commissioner Claude Cheysson. He too felt that there was not enough 5th EDF aid, that the amount was "derisory" even, and that "Djibouti should be the object of particular consideration by the European Community.

"There are a number of reasons for this. The first is that Djibouti has made what is perhaps a unique gesture towards the EEC by maintaining a 20% tax on products from the Community while putting it up to 25% on all other products, from Japan in particular. We do a lot of trade with Japan, and with other countries too. By taking this decision, we wanted to show our confidence in the EEC and in the viability of cooperation between us.

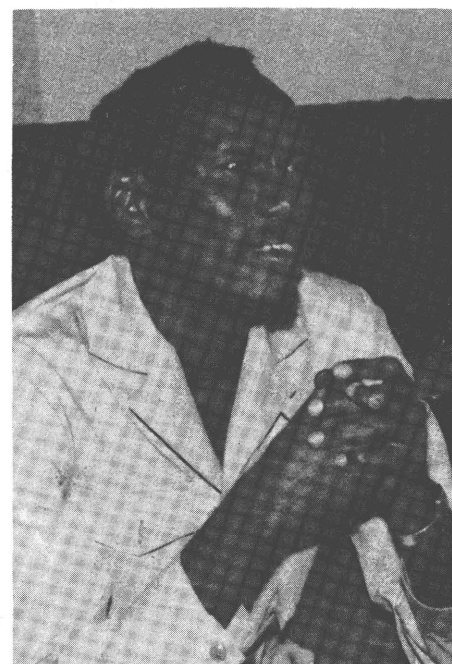
"Djibouti should also get special consideration because it should be looked upon as a sort of half-way house in the region for the EEC. Ours is a country that wants to be a land of encounter and exchange, a place for discussion and redistribution. And it is genuinely neutral, a country which palliates the grave situation in this part of the world in some small way.

"And lastly, Djibouti should be helped because of what it has suffered from the war in Somalia and Ethiopia and all the refugees it has had as a result. As we have so few means, these displaced persons can upset our economy and even give us political problems by influencing our own people. So, for

Djibouti's economic and political stability, the EEC has really got to help. As you can see, we have multiple problems".

A service-oriented economy

Djibouti's three main resources are the port, the railway and foreign aid. The port, a free zone, suffered a lot from the closing of the Suez Canal in



Aden Robleh Awaleh
Minister of trade, transport and tourism

1967 and, although the canal has been reopened and the railway link with Ethiopia is now coming slowly into use again, it does not seem to have got back to normal yet(1) and there is considerable competition from Jeddah.

But it is clear that Djibouti must develop activities that will maintain and improve the services that make it a major sea port and a regional and international transit centre.

The economy has so far been poorly integrated and particularly dependent on external sources, both for its economic and commercial activity and for the financing of its public expenditure.

Production is concentrated on four sectors—building and public works, transport and telecommunications, services and trade. The primary sector, accounting for less than 10% of production, is only marginal and industrial production is so far more or less non-existent. Almost everything has to be imported and so the trade balance shows a vast deficit—exports have only covered 11-18% of imports in recent years.

This very special kind of tertiary economy results from the country being a junction and a transit centre for trade, particularly since World War II. Its modern trading role dates from when the territory was declared a free zone, on 1 January 1949. It has a special monetary and customs system:

— The local franc, which can be converted without restriction into US dollars at a fixed rate, is issued by the state of Djibouti and covered by a dollar deposit in the French American Bank in the USA.

— There are no quotas and no import or export duties, the sole exception being a tax on goods consumed in the country.

This system is aimed at supporting Djibouti's role as an economic intermediary, a business centre and a good place for the servicing and maintenance of ships. However, one result of it is that it encourages contraband trade in tobacco and alcohol with the neighbouring countries (Somalia, Ethiopia and Yemen).

Djibouti's role as a transit centre is illustrated by the fact that, in 1976, for example, imports and exports for Ethiopia accounted for three-quarters of the activity of the port and 82% of traffic on the railway.

The reopening of the railway, which is still only used on an irregular basis, and the possible extension of its capacity, depend first and foremost on the main

(1) The railway is of vital importance to the economy of both Djibouti and Ethiopia. It is a narrow gauge railway covering the 781 km between the two capitals.

Foreign trade

Trends in imports and exports (DF million & %) since 1970

	Imports	Exports	Balance	Rate of coverage
1970	8 175	2 105	6 070	26
1971	9 248	1 133	8 115	12
1972	10 733	1 627	9 106	15
1973	12 675	3 499	9 176	28
1974	21 698	3 678	18 020	17
1975	24 166	2 639	21 527	11
1976	21 284	2 920	18 364	14
1977	18 509	3 381	15 128	18
1978	28 667	3 154	25 513	11

Source — Statistical bulletin.

These data show that there is a considerable external trade deficit: in 1978 exports only covered 11% of imports.

This negative balance is covered by a system of financial transfers from abroad—official transfers (French army expenditure) and private transfers (local spending by soldiers and expatriates).

Main imports - origin (DF million)

	1970	1976	1978
EEC	5 334	15 447	18 628
of which France	(4 044)	(12 867)	(10 181)
North America	167	443	1 335
Japan	360	1 034	2 134
Ethiopia	935	202	585
Other	1 379	4 158	5 985
Total	8 175	21 284	28 667

There has been a relative reduction in imports from France, to the benefit of the other countries of the EEC, North America and Japan in particular. Imports from Ethiopia have been affected by political events and fighting in the region.

utilizer, Ethiopia, which will have to say how its external trade is structured and how it is expected to develop. As the minister for foreign affairs and cooperation said: "we made our initial overtures to the Ethiopians in June 1978, but the situation in Ethiopia at the time precluded the possibility of going any further. We reopened discussions at the beginning of last year and so far we have set up a joint committee to prepare the text of a new agreement on the railway between our two countries. So far, we have only managed to appoint the various members of this committee, but of course it will be starting work very soon and it should be submitting a new draft treaty to the two governments

within four months. We recently agreed with the Ethiopian government as to what priority we put on the restructuring of the railway and this leads us to expect that the problem will be settled once and for all in the near future".

In the long term, Djibouti's economy will depend to a large extent on how the country uses its port facilities and capitalizes on its geographical situation. Development will be considerably influenced by the rates of growth and development of its neighbours and by the volume of capital invested in keeping Djibouti a key port for the regional import and export trade. If Djibouti is to make good use of the international funds it is offered, then it will have to

capitalize on its position as a meeting point for shipping routes to the Indian Ocean, a departure point for airlines to three continents and a crossroads for the oil wealth of the Gulf and the human resources of the Horn of Africa.

Expansion in three ways

Aden Robleh Awaleh is naturally well aware of this. "Our economy is based on services, it is true. We have no industrial, agricultural or any other production at the moment. Hides and skins are the only export. We sell services, the services of the port, the airport and the Djibouti-Addis Ababa railway. This is the basis of our economy and it goes without saying that it is artificial and sensitive to every outside disturbance, which is why we felt the closing of the Suez Canal so much.

We also suffered from the war in Somalia and Ethiopia because the trains were stopped. But this artificial, fragile economy is our livelihood. Hence the need to build up a sound economy for the future, in particular with the aid of the European Economic Community. We can do this in three ways.

"First, we want to develop agriculture. That sounds paradoxical, perhaps, in a country where it is 40° in the shade, but it is not out of the question. As trade minister I can tell you that we consume 140 t of vegetables a week. That's a lot. And these vegetables have to come from Europe, particularly France, and Kenya. So Djibouti could go in for market gardening; we could produce the vegetables that cost us so much to buy.

"We could also develop sorghum, which thrives in Djibouti. We have grown some on an experimental basis and it has done very well. Maize does well too and could be grown for six months of the year when the climate is right. Even during the six summer months, some things would grow and



SERVICE INFORMATION

The Djibouti ground station (5 km from Djibouti), inaugurated by the president on 26 June 1980, homes in on the Intel-sat satellite, 35 000 km over the Indian Ocean, which can simultaneously handle more than 6 000 telephone channels and two television programmes

we could even export them. Water melons, for example, and melons both grow very easily".

There is no shortage of water. The minister confirmed that "a study has even shown that the only major asset of Djibouti is its water. There is plenty of it underground. But it has to be pumped up to the surface, and this needs energy. Water is available. We just need investments to be able to tap it.

"The second thing we can do is set up processing industries. For example, we can import raw materials and process them or add a little value here. We mustn't be too ambitious. These will be small processing industries. We could have a tannery, do woodwork and I think we could also have a paper industry too. And in a few months, the bottling plant, which has got a bit behind, will be finished.

"The third thing to do is to capitalize on our mining and mineral resources. There is plenty of scope here. The big thing which may transform the whole of Djibouti's economy is geothermal energy. The studies are well advanced. Geothermal energy is very important because electricity is so dear in our country. Industries don't like the idea of setting up here if they know that electricity is going to be half their running costs. So, there is geothermal energy.

As to mineral resources, we have an inexhaustible supply of the raw materials needed to make cement and we are looking for financing for a cement works at Ali Sabien. And there is another valuable mineral resource, perlite, which is used in building and is apparently only found here and in Turkey. It is used for insulation. Then there is salt from Lake Assal. It's inexhaustible too. We have natural salt here and it is extremely pure".

So it is a question of developing agriculture(2), processing industries and mineral resources to complement the services sector, which must itself be improved.

Minister Awaleh stressed the government's wish to make the airport a free zone and to provide it with refrigeration facilities, which will also be required at the port, where it is hoped to build a container terminal.

Air Djibouti

The minister also mentioned the national airline.

"Our country has now set up a national airline of its own. We did this for two reasons. First, politically, to make our presence in the region felt. Jets will fly our colours in the neighbouring countries.

Second, to develop the tourist trade and thereby help with national development. Air Djibouti is in operation. We have one flight a week to Paris, on Wednesdays, and we shall soon have two flights a week.

"All these plans will help combat unemployment. We are also thinking about encouraging emigration. Look at the Yemen. Two million Yemenis live abroad and they send home \$ 500 million a year. And let us not forget that we have a stable, convertible currency, the most stable in this part of the world".

In 1979, the budget showed a slight surplus for the first time and the public



The railway station: one end of the Addis Ababa-Djibouti line

(2) And fisheries. A note (January 1980) from the stock-raising and fisheries administration indicates that there are 300 fishermen in Djibouti at present, 200 of them based in the capital. Annual production is around 500 t. The aim is to develop the fisheries sector.



"Firstly, we want to develop agriculture". One of Djibouti's half a million goats

debt (see box) is small. It was less than 2% of GDP in early 1979. Djibouti also has a good banking system and, since 26 June 1980, a satellite communications station.

Tourist potential

Minister Awaleh feels "there is considerable scope for tourist development and this is a sector we have decided to develop. We have a state tourist development office which is doing its best, at this first stage, to get our country known. People in other countries tend not to have heard of Djibouti so we must start by getting it on the map, and

Main tourist attractions

Djibouti has a number of natural sites to attract the tourist. They are unique, authentic and have a grandiose beauty. Examples:

Lake Assal — 150 m above sea level amidst volcanoes and black lava, edged with salt and gypsum banks of brilliant whiteness.

Lake Abbé — in an unusual area of needle-like limestone pillars more than 50 m high. This is a lunar landscape inhabited by pink flamingoes, ibises and pelicans, the only living things in this desolate spot.

Goubet Al Karab — Demon's Gulf, a magnificent stretch of water at the far end of the Gulf of Tadjoura surrounded by impressive, arid cliffs.

The Ardoukoba — the country's most recent volcano. It was active, producing chaotic streams of lava, for just a week in 1978. This was living proof of the continental drift and its formation signalled the appearance of a 1.20 m gap between Arabia and Africa. It was the occasion for an international scientific conference, held early this year.

The Day primary forest — 1 500 m

above sea level. Here, giant junipers, jujube trees, acacias and wild olive trees are the ultimate survivors of a special kind of wildlife. This is no doubt one of the most pleasant climates in the country.

Randa and Bankouale Falls — the relatively cool climate here is right for fruit-growing. The Bankouale oasis and the lovely falls, that flow throughout the year, are a fine place for an outing. A brook waters little gardens, with palms which are seen nowhere else in the country.

Djibouti — Ali Sabieh — Dikhil — Tadjoura — Obock — the main towns of the various districts of the republic.

The bush — with its varied scenery, the last authentic nomads, its wildlife and its vegetation, this area attracts lovers of unspoiled nature, so lacking in the industrialized world.

The pleasures of the sea — from the Iles des Sept Frères along the wild coasts of the Gulf of Tadjoura to the islands of Maskali and Musha, the resourceful sea attracts a wide range of visitors every year for water sports that can be practised almost all the year round. ○

then run a big tourist publicity campaign".

There are interesting species of animal life, certainly. Djibouti has vultures and eagles, herons, ibis, pelicans, pink flamingoes and bustards and although ostriches are rare, they can sometimes be seen in western Djibouti and northern Obock. There are antelopes and

gazelles and, although the koudou is disappearing and the oryx far rarer than it was, there are still plenty of arcobodos (which look as though they are walking on tip-toe) and digdigs, the dwarf antelopes. And there are carnivores and other wild animals—wild cats, jackals, hyenas, leopards and panthers, a variety of monkeys, monitors and so on.

Trends in public expenditure, 1976-1980

	DF million (round figures)					%	
	1976 actual figures	1977	1978	1979 voted	1980 initial	1976	1980
Debt	229	210	239	246	226	4.01	1.86
National Assembly	98	148	170	190	193	1.71	1.60
Staff	2 917	3 649	4 467	6 068	6 389	51.05	52.71
Equipment	1 428	2 344	2 533	3 086	3 100	25.02	25.57
Maintenance	276	353	342	499	402	4.83	3.31
Operating subsidy	284	680	529	622	762	4.97	6.29
Installations subsidy	479	633	739	1 005	1 050	8.41	8.66
Total	5 713	8 017	9 020	11 715	12 122	100	100
Annual increase	+ 746	+ 2 304	+ 1 003	+ 2 695	+ 407		
Increase in %	+ 15.01	+ 40.33	+ 12.5	+ 29.8	+ 3.47		

Source — Documents relating to the budget.



Developing tourism was one of the reasons for starting Air Djibouti, which runs a weekly flight (soon to be twice weekly) to Paris

The marine life, above all, is extraordinarily varied, with its tunnyfish, barracudas, groupers, morays, loaches, mantas, king fish and thousands of coral fish.

Dugongs, or sea cows, are sometimes sighted. These are the mammals, several metres long and weighing 200/300 kg, which gave rise to the legend of the sirens that the Greek poet Homer wrote about. They are close to manatees, the fresh-water species, and are dying out, being only found now in the Red Sea and the Indian Ocean. Two were caught off Djibouti in January 1979. The many varieties of shark tend to keep to the high seas and the Bab El Mandeb straits, one of the most richly stocked stretches of water in the world. In order to protect all this wildlife, the killing and capture of wild animals has

been banned and marine regulations have been introduced outlawing various kinds of underwater hunting. A national underwater park has been created east of the Musha Islands, where there is a total ban on all fishing and hunting. And it is forbidden to catch turtles or collect turtle eggs.

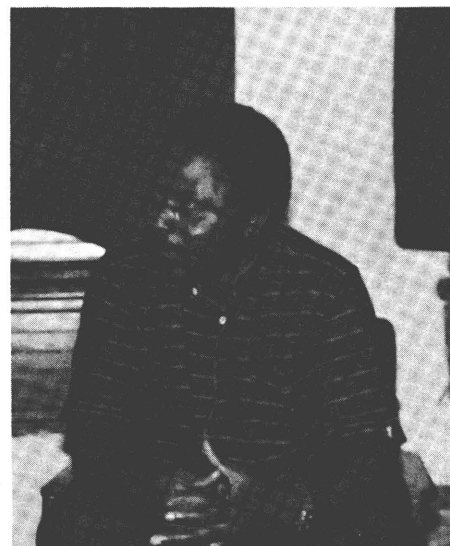
The kat problem

Is it taboo? Every society and every country has problems of this kind. Europe too has its drug addicts, and people who drink and smoke too much. So why not talk about Djibouti's problem with kat—a source of income it is true, but also a social and an economic problem. Kat is a grass, grown on the high plateaux of Ethiopia and Yemen, which the local people chew for its

euphoric effect. The habit is a long-standing one, but it has become more common in recent years and the government is trying to control it. Since 1 March 1980, it has been taxed at the rate of DF 200 per 100 g, but some people still prefer to go without food to buy their kat—which makes them temporarily unfit for work.

42 000 refugees

And there is another recent problem which, with the persistent drought, is causing the authorities increasing concern—the refugees, whom the troubles in the Horn of Africa and the drought have brought to the republic. Illonga



Illonga Ngandou,
Delegate of the UN High Commission for Refugees (UNHCR)



Djibouti has some of the finest underwater life in the world

Ethiopian refugees in Djibouti					
Figures on 10 June 1980 (*)					
	Women	Men	Children 0-6	Children 7-15	Total
Ali-Sabieh	1 798 19 %	978 10 %	3 221 70 %	3 303 70 %	9 300
Dikhil	1 678 20 %	895 11 %	2 250 68 %	3 297 68 %	8 020
Boulaos	143 29 %	95 19 %	110 52 %	152 52 %	500
Known urban refugees					4 180
Refugees spread over the town of Djibouti					20 000
Total					42 000

(*) Source — UNHCR, Djibouti.

Ngandou, UNHCR delegate in Djibouti, said there were 42 000 refugees on 10 June 1980. As the table shows, they were divided into two main categories—rural refugees, the victims of the war in Ogaden, who are in camps in Ali Sabeih and Dikhil (90 and 120 km respectively south of Djibouti), and some 20 000 displaced persons, mostly victims of the fighting in Ogaden, living with friends and relations in the town of Djibouti.

Mr Ngandou emphasized that the total figure, 42 000, is enormous as it represents more than 10% of the population. The proportion of under-15s, 50-70%, is very high. There is no need to stress all the medical, food, education and housing problems. Government estimates suggest that a further 120 refugees are arriving every week.

Mr Ngandou added that some of the refugees speak Somali and suffer no intellectual upheaval in Djibouti. But there are problems for speakers of English and other languages. There are apparently 6 500 children of school age and, as education systems vary considerably from one country to the next, English-speaking countries have had to be asked to take 666 older English-speaking students.

All the refugees must be prevented from becoming idle or marginalized and an attempt has to be made to turn them into useful contributors to the economy of Djibouti. An estimated 30% are farmers, so agriculture is certainly a possibility for some of them and an experiment is being run along these lines on a four hectare irrigated site at Moulock, 80 km from Djibouti.

Housing is difficult. There are few tents, they cost \$ 400 a piece and they last six months. But there is plenty of stone in Djibouti and a permanent house only costs \$ 600. So a thousand houses will be finished in late 1980.

All this gives an idea of the size of what it is hoped will only be a temporary problem. The Ethiopian government has granted an amnesty, Illonga Ngandou said. The UNHCR is apparently in favour of repatriation, provided it is on a free and voluntary basis. Meanwhile, the refugees live in houses made of cardboard, corrugated iron and rags and the UNHCR's aim, with the help of aid from other bilateral and multilateral sources, is to spend \$ 5 million in 1980 and a possible \$ 10 million in 1981 on housing and the establishment of a vocational training centre for the refugees.

There is no doubt that Djibouti, which is indeed proving to be a land of refuge, fraternity and peace in this difficult affair, should get further proof of the international solidarity that is so badly needed. ○ A.L.

Geothermal potential from an exceptional geological situation

The Republic of Djibouti is in a fault that stretches from the Red Sea through the plateaux of Ethiopia, Arabia and Somalia. The geologists say that the area bounded by Lake Assal and Goubet-Al-Kharab (in the Afar depression) is merely a brief link in the history of the Earth.

The Afar depression, the Red Sea and the Gulf of Aden, now a channel, form a future ocean, a small sea-to-be, the Eritrean Ocean. It is only 25 million years old, the specialists say, and 500 km wide, but in two million years time it will no doubt be as wide as its big brother, the Atlantic.

This exceptional geological situation means that the Republic of Djibouti is a constant prey to seismic waves, small ones it is true, which betray the very slow (2 cm p.a.) movement of the African and Arabian plates.

The Lake Assal-Le Goubet zone, where the Earth's crust is no more than five (instead of dozens of) km thick, is also an area of frequent activity. In November 1978, for example, a 40 metre high volcano (which volcanologist Haroun Tazieff, who dashed to the spot, christened l'Ardoukoba after the local name of the area) appeared near Lake Assal.

up in January 1979 for the study of earth, human and life sciences), gave a clear explanation of this formidable natural phenomenon. It can be summed up as follows.

When this volcano was formed, a 1.20m gap suddenly appeared between Africa and Arabia and a big fault opened between Lake Assal and Goubet bay.

Such a movement had only occurred within living memory under the sea—hence the passionate interest displayed by scientists from all over the world, not just in the fantastic sight of a volcano coming into being, but in this first, visible sign of the birth of an ocean. Djibouti is an open book of geology.

This is not the only volcano. There are others all over the territory, although the most famous ones are between Le Goubet and Lake Assal. Volcanoes, smoke holes and hot springs abound in this land composed of a series of closed basins and vast sunken plains surrounded by plateaux and basalt chains—the plains of Hanlé, of Gagadé and Grand and Petit Bara, some of them with their drying and highly saline lakes (Assal and Abbé, for example).

Continental drift

Anis Abdallah Kamra, head of ISERST (higher institute for scientific and technical research, which was set

Deep heat from hot rocks

Jaques Varet, head of the department of geothermal energy at the Bureau de Recherches Géologiques et Minières (BRGM) considers this new



The volcan Ardoukoba makes its dramatic appearance in November 1978

form of energy a hope for the future—even “a promise”.

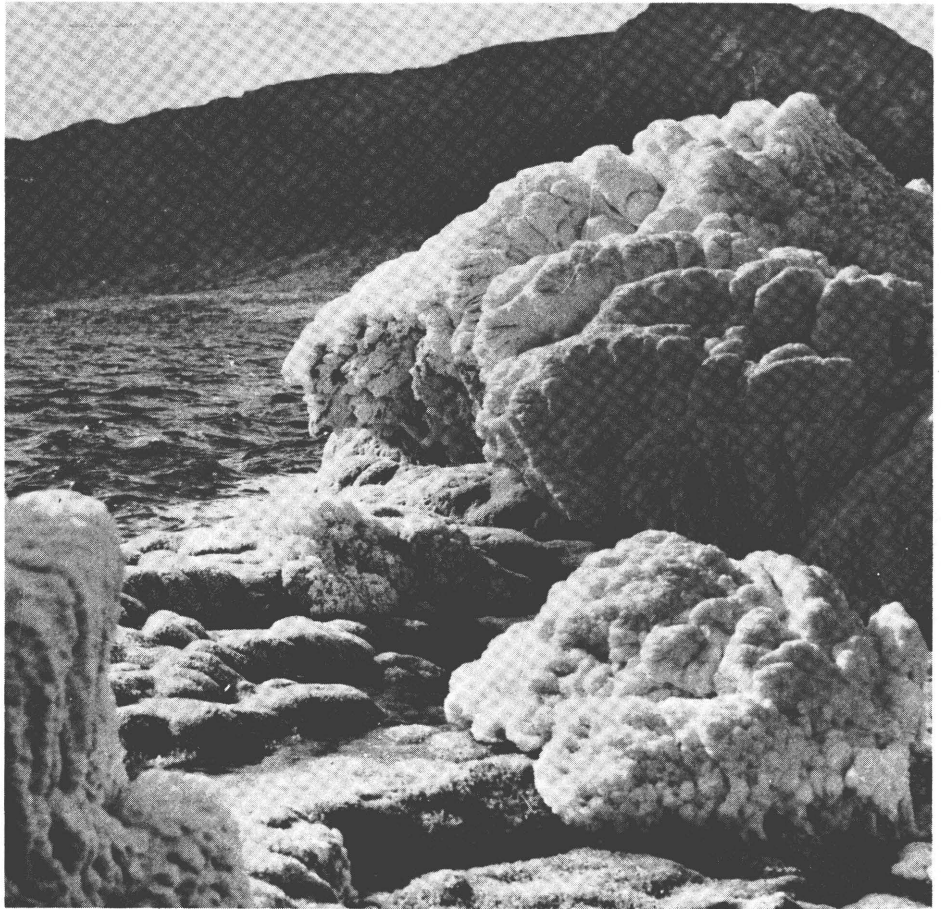
“Geothermal energy has gone beyond the stage of vague plans and academic considerations. The main deposits have been identified and the BRGM studied two of them (by Lake Abbé and in the area between Le Goubet and Lake Assal) in more detail in 1970-72. The latter deposit was tapped by deep drilling in 1975 and production began, but the programme had to stop through lack of funds. It is starting up again now. Assal 1 went into production for a week in May, with UNDP financing, and a major geophysical prospection programme to complement it is under way with BRGM and French financing. In those areas with the thinnest crust, particularly at Assal, the temperature has to be upwards of 250° C 1 000m down and this is exactly what has been recorded in the two deep boreholes sunk at Assal.

“But there is more to it than high temperatures. There also has to be a reservoir, i.e. a porous, permeable formation that contains fluid. Rock is a poor conductor and, if heat is to be extracted, there has to be a fluid to take it up to the surface. And there is fluid at Assal. It is very salty and this can pose problems, but these have now been solved, as many geothermal deposits in the world today tap saline fluid. Take the deep deposits used for heating in the Paris area. There are two other particularly active areas outside the Assal region, if the volcanological data produced by the CNRS (National centre for scientific research) and the Italian CNR are anything to go by.

They are the Lake Abbé region, near the Dama Ali volcano in Ethiopia, which has many smoke holes and the Manda Inakir region near Balho. Both these areas have good geothermal potential, although they are some way from the consumer centres. Many other places (Obock, Arta, d’Aly, Hanlé, etc.) have hot springs, fumeroles and so on and are therefore potential sources of geothermal energy”. The work of Haroun Tazieff and the Italian professor Marinelli confirms this. There is no longer any doubt, Jacques Varet concluded in a series of articles in the *Réveil de Djibouti*. “Geothermal energy is the answer to Djibouti’s power problem.

The resources have to be developed if the country is to expand and become independent in energy—which, in the world today, means realistic independence”.

One of Djibouti’s neighbours, Kenya, is on the way to becoming the first country to go in for large-scale exploitation of the geothermal energy access-



The lowest place in Africa, Lake Assal, 153 metres below sea-level: swimming is difficult because the water is saturated with salt (330 grammes per litre) which crusts its rocky shores

ible through the fault in the Earth’s crust that crosses Africa from Mozambique to Ethiopia and goes right up to Turkey. According to the FAO magazine *Ceres*, this project points the way to considerable agricultural development in the region.

The World Bank has concluded an agreement with the Kenyan government with a view to the joint (with the help of third parties) financing of two geothermal plants to produce electricity near Nairobi. These plants will have a total capacity of 45 MW and the project is estimated to cost \$ 41.2 million.

Geothermal energy, unlike oil, is replaceable as it is maintained by the immense heat beneath the Earth’s crust. But one of the drawbacks of this form of energy is the removal of residual chemicals. Arsenic, salt, borax and many other minerals are often present in the geothermal effluent brought up to the surface and they can be harmful to plant and animal life and contaminate water if nothing is done about them. Studies are being run on ways of neutralizing such secondary effects.

Kenya would be the first to benefit from this kind of programme, which

could make it an energy exporter. But Anis Abdallah Kamra very much hopes that the EDF can help Djibouti with its geothermal resources as part of regional (Ethiopia-Djibouti) projects. As he sees it, future power units can be used to supply energy to Djibouti, replace the oil-powered thermodynamic power station, supply the Djibouti part of the railway and be used locally in agriculture, for building materials and for villages near the geothermal energy stations.

Geothermal energy would be competitive price-wise. Professor Marinelli suggested at a lecture in 1979 that oil-powered energy cost 11-12 centimes per Kwh and geothermal only 9 centimes.

The May 1979 conference in Latin America proved that the relevant techniques have been fairly well mastered. Three methods (electric, gravimetric and magnetotelluric) are combined to find the most suitable methods of drilling. Test drilling and some deep drilling (i.e. 1 000-1 500 m) is to be carried out, the latter costing something like \$ 2 million. So, here again, Djibouti needs external aid to become fully independent of oil.

○ A.L.

Djibouti and the European Community

As an overseas territory, the old French Territory of the Afars and Issas benefited from Community financing for a number of its projects from the start of the EDF. However, this aid, which went via the French authorities, was confined to assistance with basic infrastructure and was really no more than budget support for the territory. When the country became independent in June 1977 and the Republic of Djibouti was born, relations with the Community had to be revised—or rediscovered, perhaps.

One of the first decisions of the new government was to make a formal application to join the Lomé Convention, a request that was accompanied by an invitation to the Commission to send out an initial mission to Djibouti as a matter of urgency. The aim of this pre-programming mission was to meet national leaders, review the most urgent problems facing the young nation and identify priority areas to be covered by a first instalment of aid that could be made available at once.

A first project to provide drilling equipment to speed up the water prospecting programme, improve the poor supplies and thereby raise the standard of living of the population was fixed to meet the over-riding aim of the head of state, El Hadji Hassan Gouled Aptidon. But over and above this one-off scheme, the new government felt that the biggest problem was to draft a working document, a kind of outline plan, that would provide a brief but full inventory of the situation in Djibouti and allow a programme of operations for short-term implementation to be devised.

In view of all the needs, it would have been difficult, if not impossible, to intervene effectively with what human and financial resources were available, without this. The Commission was aware of the situation and welcomed the request. SEDES (an economic and social development consultancy) was invited to outline a short- and medium-term development plan. The document duly came out and has enabled external aid and, of course, the resources of the national development budget, to be properly channelled.

The aid granted under the 4th EDF had the effect of a catalyst. In an

economy where the tertiary sector dominates, the protection and strengthening of the infrastructure behind the expansion of the town of Djibouti (the port and the railway to Addis Ababa) are essential to the economic future of the whole country.

The production of a master plan for the port involving all available sector studies, which, using the most valid economic hypotheses, points to the facilities that will have to be installed if Djibouti is to keep its assets vis-à-vis growing competition from other ports in the region (Assab, Aden, Hadida, Berbera and Jedda) is a typical example of the role Community aid can play by paving the way for investments financed by other countries. Various Arab sources of financing have already displayed an interest in helping with the infrastructure and facilities mentioned in this document.

Alongside productive investments, the national authorities have given top priority to social schemes. In a country where more than half the population live in the capital, in what are sometimes unsanitary conditions, this is a sensible choice. Nevertheless, in the case of Djibouti, to be effective any aid scheme must be based on a thorough analysis of real needs and facts. So two parallel studies have been run. One suggests producing a town plan in the light of anticipated changes in the population between now and the year 2000 and the other involves producing a public health plan.

The good thing about this study, apart from its obvious national interest, is the role it gives Djibouti as a regional centre for people near the frontiers in neighbouring countries. Practical intervention by other funding organizations has more or less been obtained for both.

Lastly, mention should be made of a training programme which, although small, confirms the government's concern with this sector and constitutes a vital complement to other Community schemes (the port, rural water engineering schemes, vocational training etc.). ○

Donato CHIARINI,
Commission delegate in Djibouti

Emergency aid to Djibouti

Aid already decided: On 2.10.78, aid worth 3 million EUA was granted to the UNHCR for the programme of aid to refugees in the Horn of Africa (Djibouti, Ethiopia and Somalia) following the war in Ogaden. Some 440 000 EUA went to Djibouti, which had to cope with about 25 000 displaced persons (while there were 500 000 in Somalia and roughly the same number in Ethiopia). On 26.11.78, 1.3 million EUA was granted to the FAO for the locust control campaign in the Sudan, Ethiopia, Somalia, Djibouti and Kenya. This provided a truck for the Djibouti control base (25 000 EUA).

Planned aid: 300 000 EUA was granted on 6.6.1980 to help cope with the very serious drought currently facing the nation, particularly the nomads in the north. This aid involves supplying tankers and flexi-tanks for the transport and storage of drinking water.

STABEX

Djibouti gets Stabex aid for hides and skins (exports to all destinations). So far, three transfer agreements, totalling 692 000 EUA, have been signed. These amounts are non-repayable.

Indicative programme of financial and technical cooperation under Lomé II

In accordance with title VII of Lomé II, financial aid from the EDF (arranged by the Commission) will amount to between 4.8 and 5.4 million EUA. This is equivalent to 1 162 000 m Djibouti francs and DF 1 307 000 m⁽¹⁾ as grants⁽²⁾.

Rural development (21 %): The aim here is to improve the standard of living of the rural population and the health of the livestock. This can partly be achieved with micro-projects.

Social infrastructure (34 %): The idea is to ensure adequate and regular

(1) At daily rates, as a guide, 1 EUA = DF 242.

(2) The Community's financial commitments are expressed in EUA.

supplies of drinking water for the urban populations. It is also to improve public health coverage, in particular by extending and renovating medical/hospital facilities.

Energy (30%): The aim is to help reduce energy dependence by developing national resources by concentrating on alternative sources of power, particularly geothermal energy.

Training (5%): Here the idea is to train staff to meet the country's socio-economic requirements. Specialized seminars, study and training course grants and the provision of expert-instructors will be used for this purpose.

Reserve (10%): Each project will include, if necessary, a training programme to ensure proper implementation.

The following table gives a comparative analysis of the 4th and 5th EDF indicative programmes:

4th EDF

1. Rural development	33.7 %
2. Transport infrastructure	21.7 %
3. Social programme	22 %
4. Training	18.1 %
5. Technical assistance	4.3 %

5th EDF

1. Rural development	21 %
2. Social infrastructure	34 %

3. Training 5 %
4. Energy 30 %
5. Reserve 10 %

The Community has informed the Djibouti authorities that the financial resources likely to be allocated to regional projects in East Africa will be around 115-140 million EUA.

Djibouti will benefit from this aid by designing, in close cooperation with ACP neighbours, and proposing projects likely to promote the economic and social development in the region.

The Djibouti government has put forward the following projects:

Transport

Djibouti/Somalia. Road link between Hargeisa and Djibouti—study on implementation and invitation to tender dossier and financing of works.

Djibouti/Ethiopia. Study on long-term links between the two countries:

- the railway;
- strengthening of the Djibouti-Galafi road;
- study for the Djibouti-Assab road.

Djibouti/Uganda/Sudan/Rwanda/Burundi. Regional study on opening up

the countries of Central Africa and southern Sudan/eastern Zaire—definition of the role that the integrated centre of Djibouti (airport, port and railway) can play in this respect.

Fisheries

Djibouti/Ethiopia/Sudan/Somalia. Study of fish stocks in the Red Sea with a view to the industrial exploitation of the fisheries sector.

Energy

Geothermal energy.

The amounts of and arrangements for aid from the European Investment Bank will be laid down in the light of a detailed assessment of each project, to be made in accordance with standard EIB procedures.

EIB aid will be granted, in principle, in the form of risk capital. This is in accordance with article 106 of Lomé II.

The Djibouti government intends submitting to the EIB, or having submitted, projects involving assistance with industrial production and energy, either through investments in this sector, by direct financing or via aid to a national development bank. ○

Food aid requested and allocated

C = cereals B = butteroil L = milk powder

Programme	Aid requested (tonnes)		Aid allocated		Value (EUA) (budget prices)		Dispatch period	Use
	Date	Quantity	Date	Quantity	World price	Internal price		
					(sea freight included)		Distributed	
1978	11/77	4 410 C 1 000 B	9/2/78 "	3 500 C (1 208 t rice) 500 B	0.34 dropped	0.62		604- 9/78 604-12/78
1979	11/78	7 000 C	8/5/79	3 500 C (2 318 t flour)	0.41	0.64	497- 8/79 496-10/79 663-12/79 662- 1/80 50-10/79 50-12/79 50- 1/80 100- 6/80 100-10/80	sale
	9/78	685 L	"	350 L	0.19	0.48		free
1980	7/79	5 500 C	28/5/80	2 000 C (1 305 t flour)	0.30	0.43	—	free

Aid allocated via international organizations:

1976: 70 L (Caritas)

1978: 35 L (Caritas Germanica); 100 L (Secours Catholique Français)

1979: 50 L (Caritas Germanica); 100 L (Secours Catholique Français); 30 B (Int. League Red Cross)

1980: 100 L (Secours Catholique Français)

Total value (destination) 0.31 million EUA (world price) — 0.71 million EUA (internal price).

BOTSWANA

Prospectors move into the cattle lands

Before Botswana became independent—it was known as the Bechuanaland Protectorate when it was still under British rule—many economists believed the country had few prospects. But the last 15 years have already seen the start of a dramatic economic transformation. It is still a vulnerable developing economy based only on livestock and minerals, but its economic indicators are already impressive for a sparsely populated emergent nation.

Since independence in 1966 economic growth has been between 12-14% per annum in real terms, and per capita GNP is now over \$ 600. The balance of payments is in surplus, rising from P16m in 1976 to P96m last year(1) and the debt service ratio is only 2%. The financial position is sound—reserves are rising and now cover six months imports—and the national currency, the pula, which is convertible, was revalued for a second time last year. Financial discipline has produced annual budget surpluses.

Botswana also has an open political system, and although the government

has been in the hands of the Botswana Democratic Party since independence, opposition parties are represented in Parliament. In last year's elections the BDP won 27 of the 32 seats.

In Botswana there are 800 000 people and over three million cattle. Although estimates of the national herd vary, the figures nevertheless speak for themselves. Livestock plays an important role in the national economy. In recent years government income from livestock has fallen behind that earned from the mineral sector, which is growing rapidly, but in terms of rural and personal incomes, the cattle industry

remains predominant. Less than 5% of the rural population have no cattle.

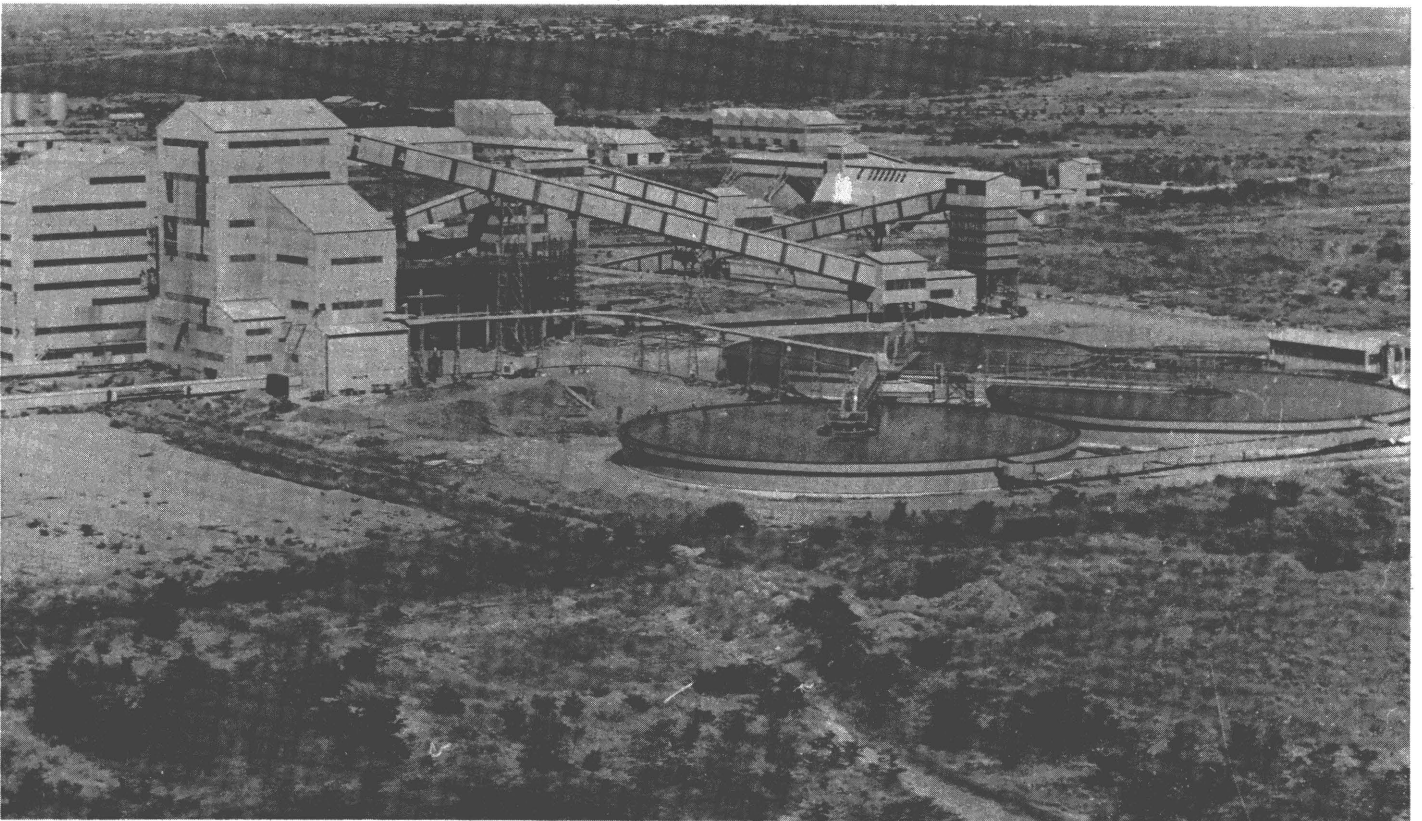
Economic and political stability obviously help Botswana attract outside investment, but the economy suffers from a number of constraints and problems which will continue to hold back development. The climate can be erratic. The drought of the past few years became a national emergency affecting both the cattle industry and arable farming. Foot and mouth disease outbreaks in all but the southern area have also hit the beef industry, especially since it led to the closure of the important EEC market to Botswana beef exports.

The national economy is also vulnerable because of its small size, heavy dependence on two sectors—beef and minerals—and transport difficulties. Botswana also has to face competition for investment and markets from the more developed and larger South African economy.

The mineral boom

The most dramatic change in Botswana's fortunes in the last decade has been the development of mining. Already the country is the world's fourth

(1) 1 Pula = approx. 1 EUA = approx. US \$ 1.4.



The Orapa diamond mine: Botswana is now the world's fourth largest producer



After a difficult start the Selebi Phikwe copper-nickel mine is heading for profitability

largest producer of diamonds and capacity will double after the opening of the Jwaneng mine in 1982. For the moment government revenue is heavily dependent on diamonds, which is a cause of some concern. Diamonds, however, are providing the income for diversification of the mineral sector. The "protectorate with little potential" appears to be on the verge of a mineral bonanza. Most mines are in the east, but the prospectors are already moving into the Kalahari.

The copper-nickel project has been financially something of a problem, but technically it has been a success. Within three years the mine should be working as hoped, and the reserves will last beyond the turn of the century.

The nickel smelter at Selebi-Phikwe is probably the lowest cost smelter in the world, mainly because of the use of local coal. Coal itself is another area the government wants to develop. The reserves are very large and the quality equals that of South African coal. Exports are therefore possible if the transport problems can be overcome. Studies are to be made, possibly with EEC help, into the development of the coal industry and a chemical industry based on coal.

As one expert in the mines ministry put it, they are also doing some "mega-thinking" on the long term possibility of electricity generation for export and Sasol-type conversion of coal into oil.

EEC the target market for coal

Coal is being mined at Morupule, but only 350 000 tonnes a year is being used by the Selebi-Phikwe smelter and the Gaborone power station. Further development of coal depends on overseas markets, and Europe is the main target. Exports of 10-15 million tonnes a year, which is considered feasible, would make coal as important to the national economy as diamonds are at present, with considerable benefits in terms of job creation.

A pre-feasibility study, funded by the Commonwealth Development Corporation, has considered the transport options open to the government. A new rail route through Namibia to Walvis Bay seems economically the most attractive, especially as it would open up western Botswana. But apart from the finance there are political problems stemming from the still uncertain future of Namibia itself, and the fact that Walvis Bay is a South African enclave in Namibia. Building a new port would be very costly, but the use of Maputo in the east, would also require heavy investment in port infrastructure and new track since the existing route cannot support the loads. It would also add three days to shipments to Europe. The trans-Kalahari would help in the exploitation of what may well be major commercial mineral deposits in the western and central parts of the country. Considerable copper deposits have been

found in Ghanzi district. There is also silver, more nickel, uranium and a number of others. Large deposits of industrial minerals also exist, especially soda ash which is used in the manufacture of glass, detergents and soap, and in the paper, mining and mineral industries. Potash which is used in fertilizer production, and salt which is used extensively in agriculture, is in the same deposit. Soda ash development in Botswana depends on the size of the regional market since on the world market there would be heavy competition, from the Kenyan and American producers in particular.

Uranium exists in the unaccessible western frontier areas, but so far none has been discovered in commercial quantities. However, for uranium and other minerals, including oil, the geological signs are good. The government has granted a number of prospecting licences, mainly to Shell Coal, Falconbridge, Union Carbide and De Beers, and what is happening in the minerals sector is monitored by the Geological Survey Department in Lobatse. The private sector is being encouraged to come into the country to prospect, but the government is also prepared to use diamond revenue to finance exploration, especially for oil. A number of foreign donors have also been involved in surveys—the British, Germans, Japanese and Canadians have all provided bilateral aid.

Lead times in mineral development

are long, so the mineral boom in Botswana is not going to be a sudden event. Despite the very difficult transport position and the awkward terrain, private companies have been prepared to prospect and mine in Botswana. The slow but steady development of the mineral resources helps the government plan for the revolution, both economic and social, that is underway.

Industrial spin-offs

Botswana has to compete for industrial investment with South Africa where there is a developed market, suppressed wage levels and extensive infrastructure. The government is trying to provide an investment climate which will attract investors and overcome the tendency to supply Botswana's needs from South Africa. Because of the customs union with the republic there is no protection for nascent Botswanan industries trying to get a foothold in the southern African market. The mining boom will help, however, by creating new poles of economic activity. Towns tend to grow up around mines and rapidly acquire a growth momentum of their own, attracting people, services and small-scale industry

Botswana can also project its stable political system and good race relations to attract more investment. Transport and communications is a high priority. The road network is being improved (the EEC is currently funding the surfacing of the Lobatse-Ramatlabama road), and there are plans not only to extend the rail route across the Kalahari, but, more immediately to build an international airport. The latter project has both strategic and psychological importance because airlinks with the outside world are almost entirely via Johannesburg at present. But the airport could also help to put Botswana "on the map" as a distinct investment area. Unfortunately the local market is small. However, there have been modest industrial and craft developments which have survived on the basis of the internal market—soap and school furniture are two examples. The Ministry of Industry and Commerce is mainly involved in feasibility studies, encouraging contact with investors, and creating a good investment climate, and it works closely with the Botswana Development Cooperation, which has the funds to invest.

Stock raising still predominant

Although the mining boom is underway it so far affects relatively few people's lives. The number of jobs in the diamond, coal and copper-nickel mines is in the region of 5000, less than half

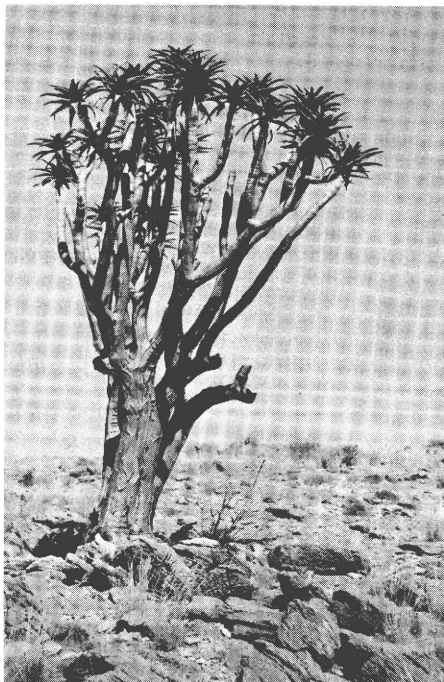
the number provided by the hotel and restaurant trade. This will change as more mines are developed, but it is essentially a capital intensive sector. Formal sector employment is more likely to develop in services and manufacturing, and for the majority of the population it is stockraising which will remain the most important source of personal incomes.

Botswana beef is almost entirely for export. Last year the Botswana Meat Commission, which runs the huge modern abattoir at Lobatse, had record sales amounting to P92 m (approx. \$ 128 m). The kill was also a record at 228 961 animals. The Lobatse abattoir can cope with 1 400 cattle a day, and has a tannery and canning plant attached. Another abattoir to cope with the northern herds will be built at Francistown with a capacity of 600-800 cattle a day, and a smaller abattoir and cannery will be built at Maun in the North-West.

There are two main objectives in the cattle industry, to improve the quality of the herd, and raise the offtake, which at present is about 7-8%. The aim is to increase the kill to 13-14% a year, or about 350 000 cattle.

The foot and mouth menace

The major immediate problem for Botswana beef is the outbreak of foot and mouth disease in all but the southern area. The normally effective control policies could not cope with the disorder along the Zimbabwe frontier caused by the recent war. Cooperation across the



The vast emptiness of the Kalahari hides mineral wealth which is only now being revealed

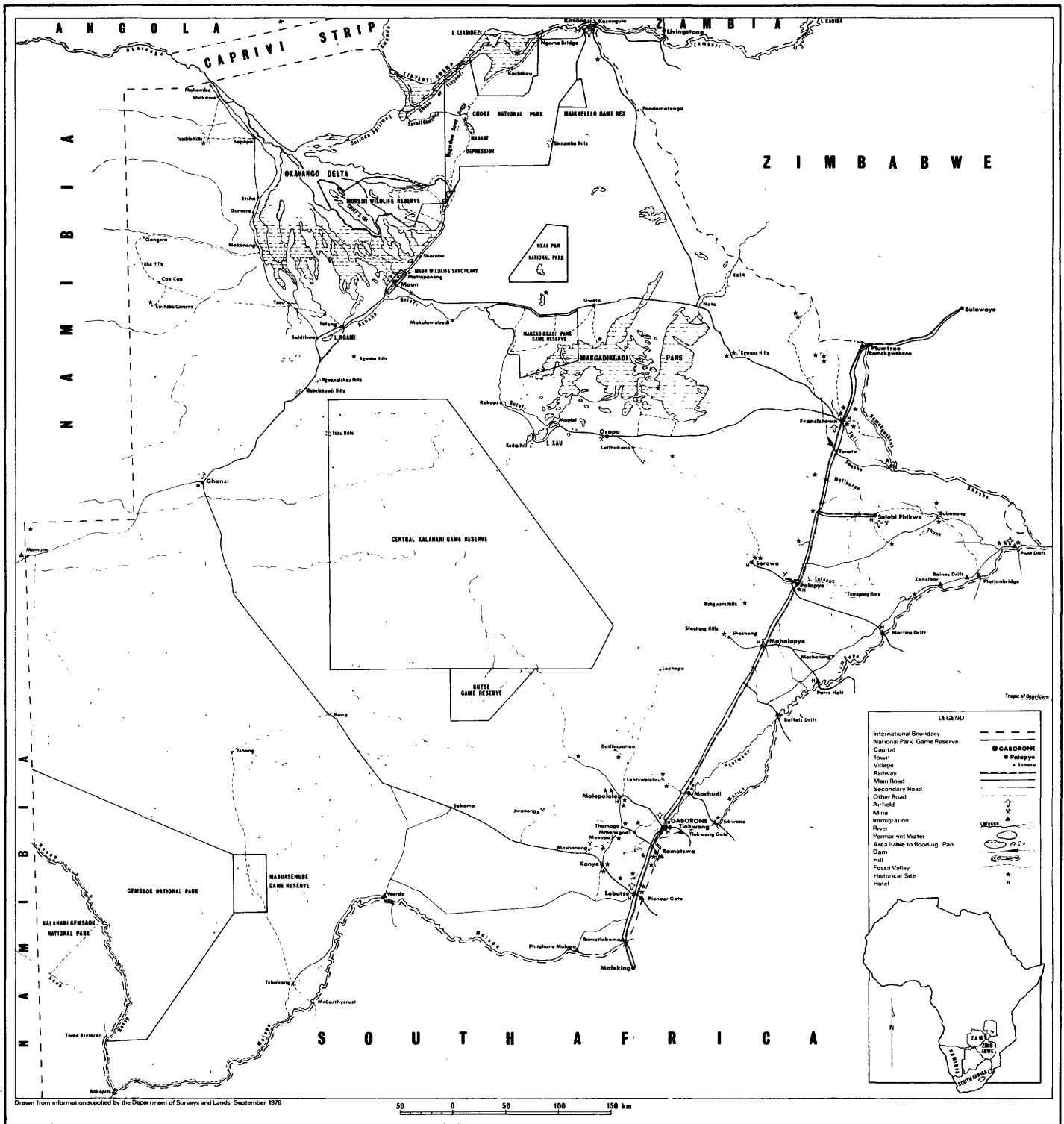
border is now working again, but the fight against the disease will take longer to overcome. The EEC market was closed to Botswana beef exports because of the outbreak but at the same time the Community financed a vaccine production unit in Gaborone which is proving very effective. The plan was to provide 2 million doses a year, but it is already producing 6 million and Botswana can now export throughout southern Africa. Production will soon expand further. The vaccine is already being used in Zimbabwe and the Botswana agriculture ministry is hopeful that the disease will soon be under control along the whole border—but again it takes time. Meanwhile costly relief measures have had to be undertaken to help the rural community, especially in Ngamiland in the north. About P10 m (\$ 14 m) has been spent in the past three years.

Drought problems ease

This year the south of the country has certainly had better rains than the previous year, so the problem of drought has eased. In the north the rains were late and the crop will be less good than in the south. Famine relief in the north will nevertheless be reduced.

Botswana only produces about 50% of its cereal needs in good years. However the arable lands development programme (ALDEP) aims to improve production, especially on small farms. It also aims to reduce rural underemployment. The main means will be liberalized credit for small farmers. There will also be subsidies for certain basic equipment, for water development, fencing and seed. Some subsidies will also be available for larger farms. No dramatic change is expected, the aim is gradual but sustainable improvement. As David Finlay, the permanent secretary for agriculture put it, it should be possible to feed 800 000 people and even aspire to modest food exports. The EEC is involved in many of the ministry's 68 development projects directed mainly at the small farmer.

Change is gradually coming to the rural areas. Cattle ownership is spreading down the social scale. The cooperatives who supply cattle for hundreds of small farmers now account for 18% of the kill at the abattoir. Arable farming improvements will also have a social impact. So far the vast water resources of the Okavango basin are untapped. Developing agriculture there is prevented by marketing and transport difficulties. It is also remote area, but it could, in the longer term, be opened up by a scheme like the trans-Kalahari railway, and present regional cooperation possibilities with both Angola and Namibia. ○ IAN PIPER



Botswana in profile

Area: 561 800 km²
Population: 819 000 (1980)
Capital: Gaborone (40 000)
Other towns: Lobatse, Francistown, Molepolole, Serowe, Kanye, Ramotswa
Population density: 1.46 per km²
Population growth rate: 3.6% a year
Government: Botswana Democratic Party
Head of State: President Kwetl Masire
Language: English, Setswana, and dialects

GDP: 350 m EUA (\$ 500 m)
GNP: per capita: \$ 620
Total exports: 1979: 322 m. EUA
Total imports: 1979: 316 m. EUA
Main exports: 1978: Meat 68m EUA; diamonds 167m EUA; copper nickel 65 m EUA; textiles: 3.7 EUA; hides and skins: 2.7 EUA
Main imports (1979 — 1st 4 months projections): Machinery and electricals 50 m EUA; foods, beverages and tobacco 56 m EUA; vehicles and transport 41 m EUA; metal 40 m EUA; fuel 31 m EUA

Main trading partners (1978)
 Common Custom Area (Lesotho, Swaziland, Republic of South Africa) 84% imports 14% export
 Other Africa 10% imports, 7% exports
 UK 2% imports, 5% exports
 Other Europe 1% imports, 46% exports
 North and South America 2% imports, 27% exports
 Other countries 1% imports, 1% exports

(1) 1 Pula = approx. 1EUA = approx. \$US 1.4.

Preparing for the mineral boom

Interview with Dr. Quett Masire, President of Botswana⁽¹⁾

As Vice-President Dr. Masire was the man most directly involved in running Botswana's economy. He had the advantage of knowing that there was potential in his country's limited resources, but the difficult job of choosing between the numerous options which Botswana faces in both its short and long-term planning. No doubt many ministers in other parts of the developing world would like to have such problems because they are about how rather than whether Botswana will achieve economic progress. Apart from infrastructural, climatic and manpower constraints, Botswana's development has been affected by its geo-political situation in southern Africa. This will ease now that Zimbabwe is free, but many of the problems of being landlocked will remain. As Dr. Masire explains in the following interview with the *Courier*, this means that 31 % of development resources go on transport and communications. He also describes his country's other development plans and the role of the EEC and regional cooperation in establishing Botswana's economic independence.

► *Botswana's economic growth is encouraging, but there are restraints such as a lack of skilled manpower, transport problems and the physical environment. How are you tackling these?*

— As you will be aware, we have just completed our new National Development Plan, covering the period up to Financial Year 1984/85. What we have attempted to do is to identify all our problem areas, to determine our priorities in dealing with them and then to allocate our limited resources in the way that produces the maximum benefit to the nation.

As you rightly say a major constraint on development in Botswana is the shortage of skilled manpower. This is not something that can be changed overnight. It takes many years to build an educational system and education itself is very skill intensive. However we are taking steps to improve the quality of education at all levels and of all types. At the same time we have over the past few years introduced a system of manpower budgeting in order to ensure that our scarce resources are actually utilized in the most effective manner. We are especially short of technical people however and this

means that we foresee a continuing dependence on expatriates. At the same time we do not want their numbers to increase excessively because they make demands on the economy for various services that may be inappropriate to our long-term development objectives.

We therefore have to strike a balance between our desire for rapid development growth and our desire not to distort the shape of that growth.

Inevitably, because of Botswana's location we face problems with our transport and communications network. For all landlocked countries this is a critical feature and there must therefore be a continuing emphasis in our development programme. In fact, over this plan period we expect transport and communications to absorb 31 % of all development expenditure. This covers the continued expansion of our road network, which is essential in making our remote area feel a part of Botswana, the gradual take-over of the railway system, and the construction of a new airport.

Although we initially foresee this airport as being for the use only of regional traffic it will provide us with a lifeline should any of our traditional transport links be disrupted.

On the communications side we have recently installed an earth station which enables us to speak directly to other countries without having to go through



President Masire

South Africa. On the physical environment it is of course difficult for us to do anything. We have to recognise that ours is a difficult environment in which to live. This explains the low population density, and results in a high per capita cost for all of our services and infrastructure.

However, we have made the most of it through encouraging land extensive activities, such as cattle ranching, but as new methods and new technology become available so we hope to support larger numbers and more intensive styles of cultivation.

The development of a centre of appropriate technology is expected to help but we shall also hope to receive assistance from other countries who experience similar adverse conditions.

As I say, the exact details of all these various projects are contained in our Fifth National Development Plan. This plan has now been approved by Parliament and the final version will be printed within the next two months.

► *What major economic and political changes will Zimbabwe's independence bring for your country?*

— It is of course premature to assess the impact of Zimbabwean independence. It is what we have all been working for and we are greatly encouraged that it has come about. You will be aware that, although Botswana was permitted by the UN to maintain trade

(1) This interview took place before the sad death of Sir Seretse Khama when Dr. Masire was still vice-president and minister of economic planning.

links with Rhodesia after 1965, we have endeavoured to keep that trade down in volume terms.

The first effect therefore should be an increase in the level of trade to a more natural level. We can also expect a recovery in the tourist industry in the north east of Botswana.

We look forward to cooperating with the new government over a whole range of activities, particularly transport and communications.

Gradual shift in economic ties

It would be a mistake however to imagine that the whole structure of economic relationships in Southern Africa will change radically overnight.

Unfortunately our trading links are still predominantly with South Africa but we would hope that we will be able to gradually reorientate ourselves.

This will only be possible if we develop sound economic and political links over the next few years and this is what we intend to do.

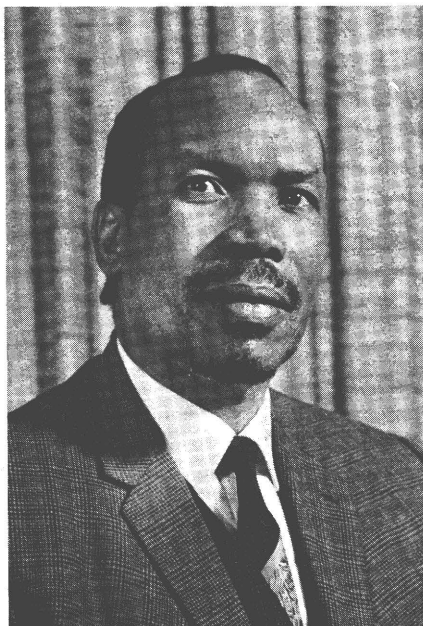
► *What are the main shifts in emphasis in the 5th National Development Plan?*

— I do believe there has been something of a change in emphasis in that we recognise more clearly today that urban dwellers have been getting a bigger share of the national cake than equity suggests they should, and that our major problem over the next decade will be the creation of enough job opportunities to give those people entering the labour force a fair chance to provide themselves with a reasonable standard of life. Thus we have had two themes for this plan—rural development and employment creation.

We intend to translate the revenue from our minerals into projects which benefit the people and by giving greater emphasis than previously to these two themes in the selection and design of projects we hope to share the benefits from mining much more widely than otherwise.

Central role for minerals

► *Mining is now Botswana's main source of income. How are you developing the sector and what social and economic impact do you expect the mining boom to have?*



Sir Seretse Khama

Sir Seretse Khama, KBE, the first President of Botswana, died on 13 July this year. He was born in 1921, a grandson of the famous Khama III of the Bamangwato, inheriting his chieftainship at the age of four. He was educated at Balliol College, Oxford, and the Middle Temple in London. In 1948 he married an Englishwoman, Ruth Williams. They had three sons and a daughter. But the difficulties the marriage created at that time led to their exile from Botswana until 1956. After his return he founded the Botswana Democratic Party in 1962 and swept to power in the 1965 elections just prior to independence. He was knighted and became the country's first president. His 14 years in office were marked by political stability and economic and social progress. He was also to play a leading role in the efforts of the front line states to free Zimbabwe from minority rule, and lived just long enough to see them succeed. ○

— Our forecast for economic development up to 1984/85 shows how heavily we expect to rely on the mineral sector. Over the plan period as a whole we hope that Gross Domestic Product will increase by an average of 10% per annum in real terms.

However, without the one new mineral project, a new diamond mine at Jwaneng, that rate of growth would fall to only 4 or 5% per annum. This indicates our vulnerability to fluctuations in the diamond market and lends weight to our policy of diversification in the mineral sector.

An initial study of the geology of the Kalahari has been undertaken and we are hoping to complete much more detailed investigations of certain areas within this plan period.

So far we have made distinct arrangements for the exploitation of each discovery, so that we can arrange the details of recovery rates, technology, profit sharing, for each project in the particular manner that best suits our overall development objectives.

This is a strategy which has worked well previously and we expect to apply it to any additional mineral discoveries.

Mining no answer to unemployment

Unfortunately the diamond mines do not generate significant numbers of jobs for Botswana. At Jwaneng we only

expect to create a township of 10 000 people so that, once the construction phase is complete, there will not be a major contribution towards solving our problems of unemployment and under-employment. However, apart from revenues there are other benefits even after the construction phase.

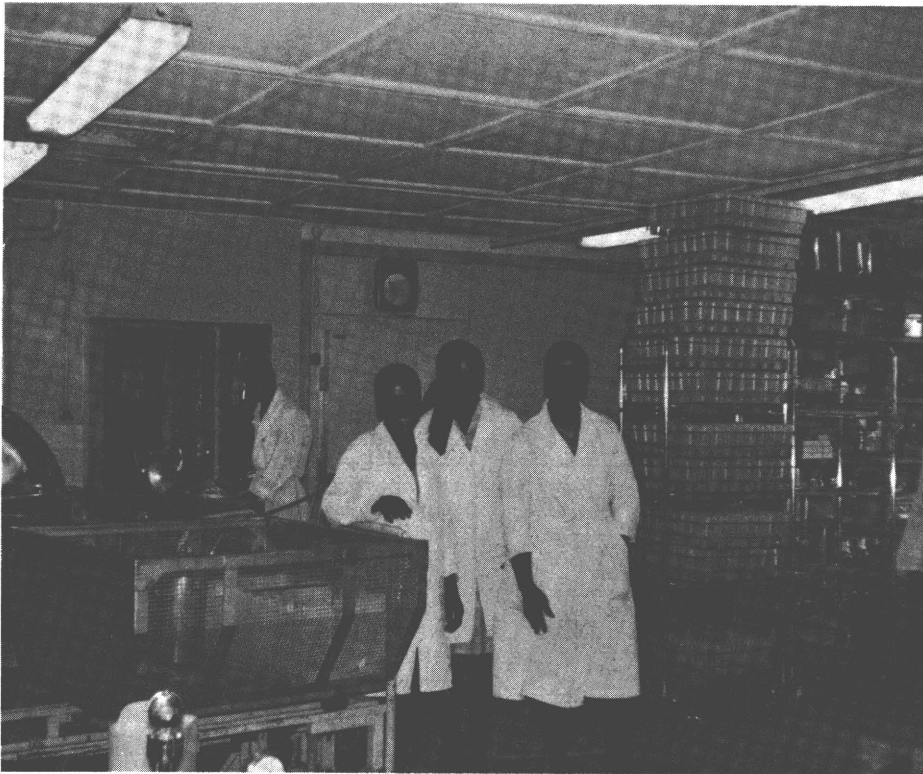
We have adopted measures to maximize the amount of local purchases when the mine is in operation, and that should have a substantial impact on local industry.

We will attempt to minimize any adverse social effects—we recognize the dangers inherent in a dualistic economy and have insisted that salaries and general schemes of services are not significantly different from those that apply in other formal sectors of the economy.

► *With a developing livestock industry and the growing importance of minerals, how will you ensure the benefits are spread throughout the population?*

— Although we are planning several projects to maintain and improve our livestock industry, such as better protection against foot and mouth disease and the construction of a second abattoir and cannery in the north of the country, the most important economic sector over the plan period will be minerals.

As I have said the main effect of the new diamond mine will be on government revenues. It does not offer a solution in itself. Government has to act



Workers in the EEC-financed laboratory where foot and mouth vaccine is produced

as an intermediary, ensuring that these revenues are converted into assets and services that satisfy the real needs of all Botswana. This too is an exercise that we have tried to deal with in our new National Development Plan. Our first task was to identify our national priorities which we did at local level through consultation and the production of district development plans. We assessed the resources available to us and then allocated them amongst various activities consistent with our national priorities.

Of course, our geopolitical position has meant that many of those resources have had to be used for projects whose overriding justification has been strategic. We have already talked about the need for resources to be used to break the constraints which hold development back —the need for a substantial educational expansion and for improvements to our transport and communications network.

“Paramount importance” of the EEC

► *How do you regard relations with the EEC, particularly as far as financial co-operation, mineral development and beef exports are concerned?*

— Our relations with the EEC are of paramount importance to us. The financial assistance that we get through the EDF and the access possibilities for our

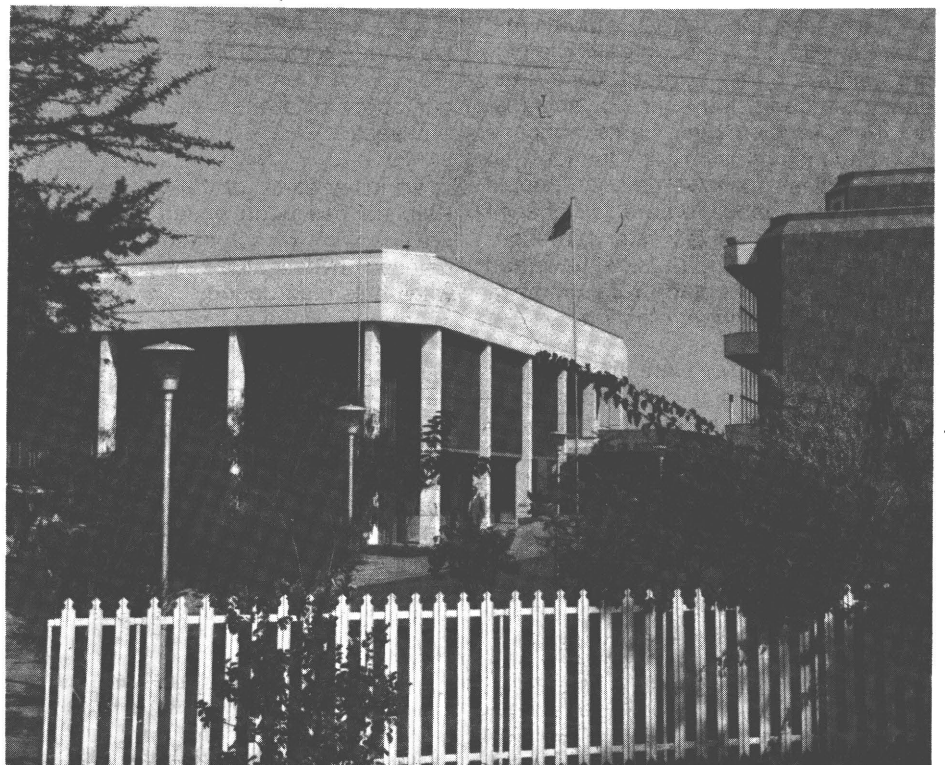
beef in particular make a real contribution to our development effort. The livelihood of almost all Botswana depends directly or indirectly on the beef industry. We are therefore most grateful for the long-term access arrangements for our beef exports which we were able to conclude with

the EEC. We are also most thankful for the financial assistance that has been made available from the 5th EDF which amounts to about 25 m. EUA over the next five years.

Unfortunately there have been obstacles on the way to achieving the fullness of the relationship which was envisaged in the two Conventions. The disbursement procedures for the EDF have been far too slow in our opinion. This as can be readily appreciated often leads to cost over-runs given the trend of spiralling inflation. We do hope that a solution can be found to this problem very early in the life of the new Convention.

Our beef industry has also experienced some problems over the past three years. The outbreak of foot and mouth disease in some parts of the country during this period has greatly disrupted our exports of beef to the EEC market. The control of this disease was made difficult by the break-down of veterinary services in the then Rhodesia, because of the war. With the settlement there and the demonstrated intention of the Zimbabwean authorities to work with us in this area we hope this problem will not recur.

Currently the only mineral exports of any importance are copper and diamonds. We therefore welcome in the case of copper the new scheme for minerals in the new Convention (namely Sysmin).



In 1976 the National Bank of Botswana started issuing the country's own currency, the Pula. Since then it has been revalued twice



Aerial view of the Orapa mine: mining creates relatively few jobs, but can be a catalyst for new urban industrial development. Below, Botswana's only, and vital, rail link to the sea



We must say however that it is a far cry from what we had hoped for, and the solution to the problem still remains to be found.

This country has enormous quantities of coal which are largely untapped. We have said it before that we are ready to discuss the exploitation of this resource

with the EEC authorities, and there are other possibilities in this sector.

► *With apartheid still on your doorstep, how are your relations with South Africa changing? Is there a chance for durable peace in Southern Africa now that Zimbabwe is free?*

— There has been no basic change in our policy with regards to apartheid. Zimbabwe's freedom has contributed immensely to peace in this region, however durable peace in southern Africa will remain an illusion as long as we still have pockets of tension in the sub-region.

► *As a front-line state, you were active in seeking an independent Zimbabwe, what now is your policy towards your other neighbour, Namibia?*

— Our policy towards Namibia is no different from our policy towards Zimbabwe before her acquisition of freedom. Self-determination is one of the corner-stones of our foreign policy, hence we support and will continue to support any effort aimed at bringing about a just and peaceful solution to the Namibian question.

New possibilities for regional cooperation

► *What scope do you see for regional co-operation in Southern Africa?*

— We believe that there are prospects for regional co-operation in southern Africa for as long as there is will to co-operate. You may already be aware of the initiative originally made by the front-line states and recently adopted by all the nine independent states of southern Africa at a summit meeting in Lusaka for the development of a strategy for regional economic development in this region.

Most of the southern African countries are economically tied to South Africa in trade, transport and communications and employment. But these countries have resources and we believe that with better co-ordination of the development and exploitation of their resources it should be possible for them to achieve more effective interdependence and self-reliance and reduce the present overdependence on South Africa. We see the development of transport and communications in the region as a priority area for the achievement of this objective and we do have plans in this regard. ○

Interview by
IAN PIPER

The Botswana Meat Commission Record output in 1979

About 80 km south of Botswana's capital is the town of Lobatse where the Botswana Meat Commission (BMC) has its headquarters and runs one of the world's most modern abattoirs. At present it is the only abattoir in Botswana, but even when two new ones at Francistown and Maun are in operation, the Lobatse complex will still handle most of Botswana's cattle for slaughter. Lobatse can handle 1 400 cattle a day, and last year had a record kill of 228 961.



Local consumption of beef and beef products is very small, so Lobatse's profits depend on exports. Despite an outbreak in July last year of foot and mouth disease near Orapa, in an area which had been disease-free for 20

years, the abattoir managed to pass its target. The outbreak led to the suspension of exports to the EEC(1) from still disease-free southern region, but fortunately the slaughter rate in the first seven months of the year averaged 27 586 a month, and despite the drop to an average of only 7 526 for the last three months of the year, the annual figure was still the highest on record.

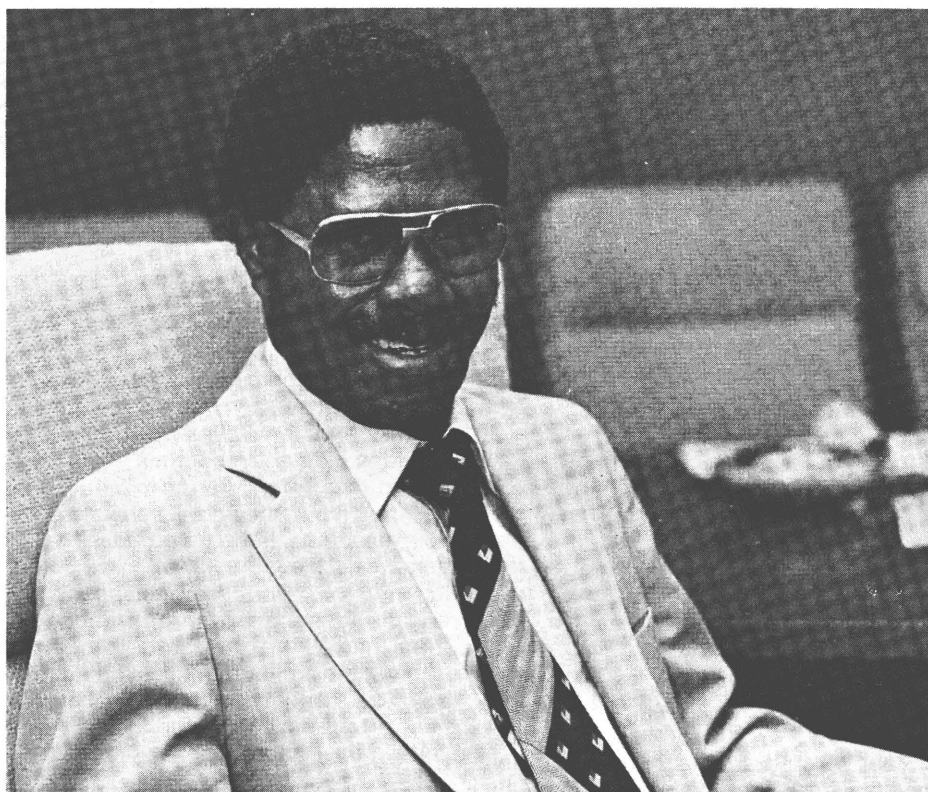
New markets

Although the EEC market was closed from July 1979, it was still the most profitable export market for the year. The United Kingdom alone accounted for 58% of BMC sales, earning nearly P50 m (approx \$ 70 m). The supply of frozen beef to the Angolan market has now become an important source of income for the BMC. Although prices

(1) The hope that the EEC market would reopen on 15 January 1980 was dashed by a continuing problem with foot and mouth.

are not as good as in the UK, Angola provided 20% of sales in 1979. The South African market was depressed, representing only 10% of sales, while Reunion (5%) and the rest of Africa (5%) accounted for most of the remainder. A shortage of Australian beef enables the BMC to sell small, but significant amounts to Hong Kong and Mauritius. Beef and offal was also supplied to Zaire.

The abattoir exports a number of other products apart from frozen and fresh meat. Hides still sold well despite certain problems, especially pollution difficulties at plants in Italy, as did bone and blood meal, tallow and horns. Corned beef sales continued to expand under BMC's "ECCO" label. It became the fifth most important brand in Britain and made a strong challenge in Mauritius. The cannery, which was opened in 1978, produced six million cans last year. The tannery is expanding to be able to cope with 1 200 hides a day, and this year a pet food cannery will begin.

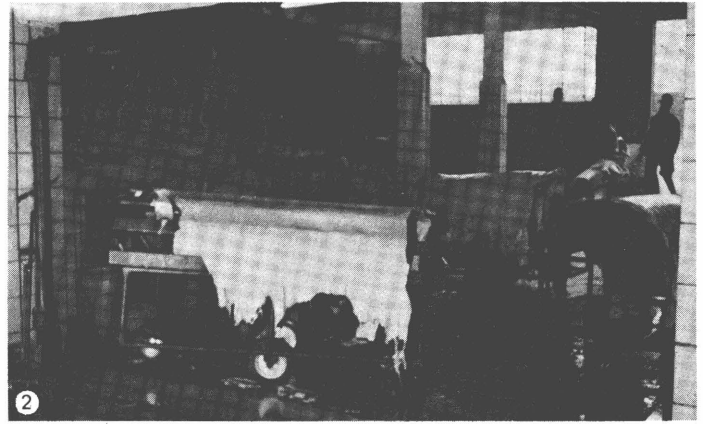
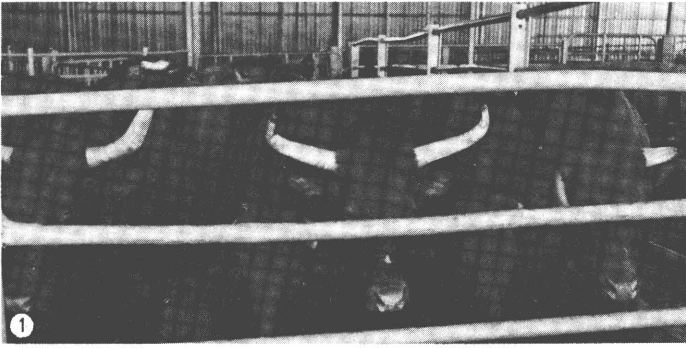


BMC chairman T.S. Madisa



The Lobatse abattoir has been improved over the years, and is now a modern, well organized plant. Once slaughtered, the cattle carcasses pass through various stages on a conveyer belt system. All the carcass is used, the hide, hooves, blood and offal is separated out, then the meat graded and boned. The meat end product in boxes of graded joints are exported frozen or fresh by train directly from the abattoir to Cape Town.

The Commission itself has 11 members, chaired by T.S. Madisa, and six managers. There are almost 2 000 employees, and the numbers are expanding as the activities of the plant increase. ○ I.P.

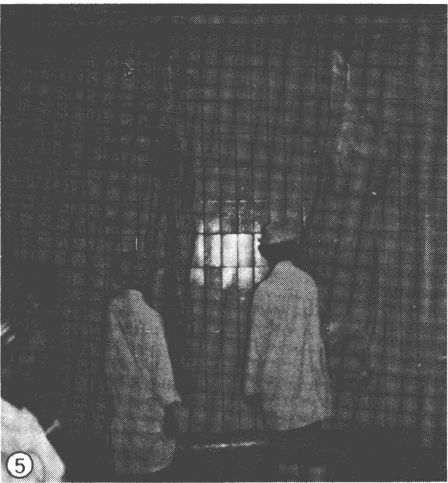
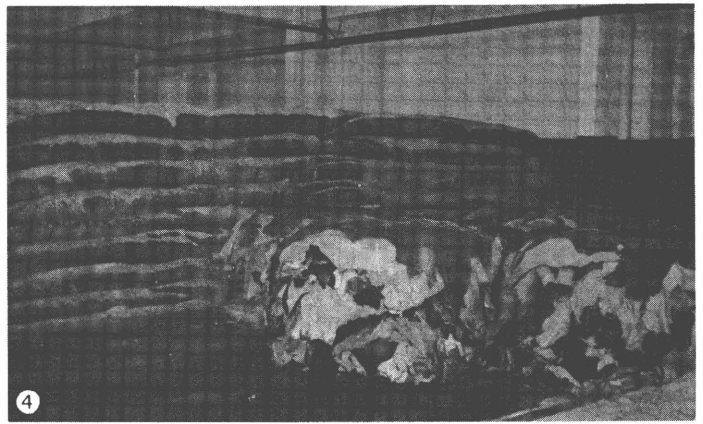
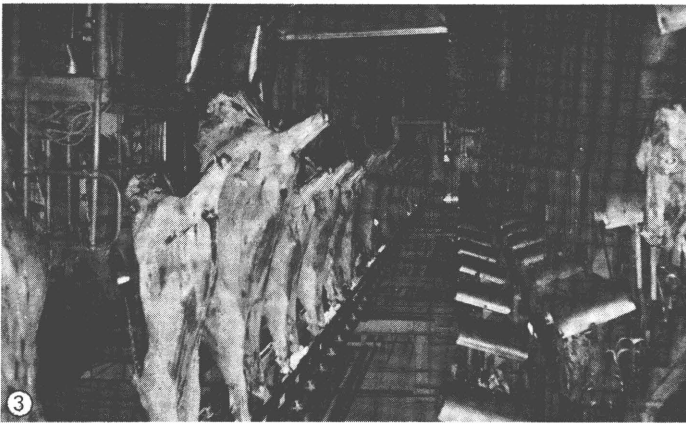


The Lobase abattoir

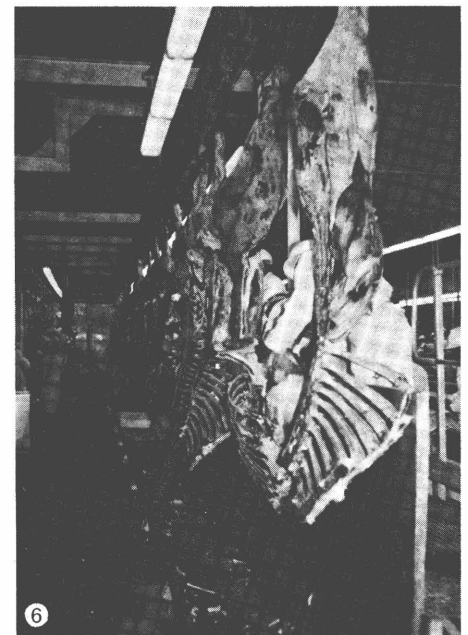
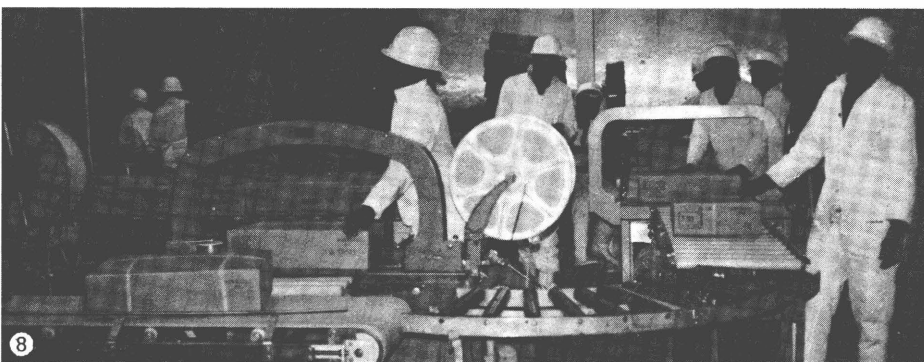
1) Cattle assembled at the abattoir 2) Cleaning of the skins 3) The carcasses on the conveyor belt at the start of the various processes 4) Salted hides in one month's storage 5) Grading sides of beef



BOTSWANA MEAT COMMISSION

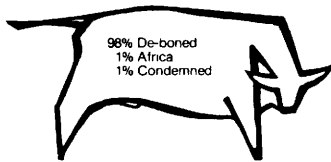


6) Boning 7) Sorting and wrapping the various joints of boned meat 8) Packing ready for shipment to foreign markets



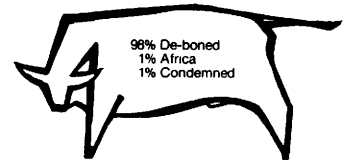
Statistics

DISPOSAL OF BEEF CARCASSES

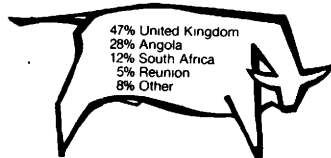


1979	
224 495	De-Boned
2 766	African markets
1 700	Condemned
228 961	Total

1978	
146 882	De-Boned
1 129	African markets
1 335	Condemned
149 346	Total

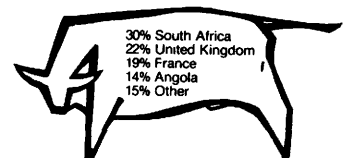


SALES OF BONELESS BEEF [tonnes]



1979	
15 038	United Kingdom
9 034	Angola
3 800	South Africa
1 720	Other Africa markets
1 526	Reunion
100	France
629	Other markets
31 847	Total

1978	
4 497	United Kingdom
2 977	Angola
6 336	South Africa
1 046	Other Africa markets
1 716	Reunion
3 968	France
494	Other markets
21 034	Total



SALES OF OFFALS [KG]

1979

Red	Rough
978 396	—
422 284	1 395 142
135 517	468 798
163 184	219 754
55 263	1 008
373 273	162 199

United Kingdom
Zaire
Local
South Africa
France
Other markets

1978

Red	Rough
48 226	—
87 459	678 655
102 613	403 779
408 768	140 760
—	—
142 135	186 451

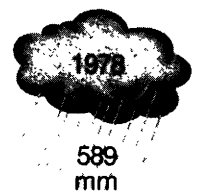
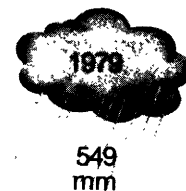
SALES OF BY-PRODUCTS [tonnes]

1979	
5 295	Carcase meal
4 463	Tallow
3 701	Hides
2 671	Bonemeal (subsidized)
1 132	Hide trimmings
599	Blood meal
81	Horns
5	Ear and tail hair
4	Ox gall

1978

3 058
2 596
2 624
1 826
920
318
45
3
2

RAINFALL



Botswana's "gateway to the north"

Until the independence of Zimbabwe earlier this year, Botswana's only geographical contact with the rest of independent Africa was a point in the Zambezi river where Namibia, Rhodesia, Zambia and Botswana met. It was not a real link, and for Botswana the geopolitical reality was of a state not only landlocked but encircled by minority ruled states. The independence of Zimbabwe has altered all that. As Botswana's foreign minister Archie Mogwe explained in an interview with the *Courier*, it has provided a "gateway to the north". To what use that gateway is put will be one of the preoccupations of Botswana over the next decade. There are possibilities for bilateral cooperation — the most urgent for both countries at present being the control of foot and mouth disease. Botswana was not required to comply totally with Rhodesian sanctions because of its vulnerable position within southern Africa. Nevertheless the Gaborone government did reduce trade to a minimum. Now that restriction can be lifted and normal commercial relations can be resumed between the two countries. But, as the Lusaka economic summit demonstrated, the independence of Zimbabwe also opens up a whole range

of new possibilities for regional cooperation in southern Africa as a whole.

"Suddenly we've got a gateway to the north", Mr Mogwe said, "and we have many things in common with Zimbabwe. There are rivers, for example, which even before independence we had thought of damming. Once Zimbabwe settles down such schemes could be resuscitated. We feel strengthened, not only Botswana, but all the front-line states, by the accession to independence of Zimbabwe. Zimbabwe has become a front-line state, it has added to our number when we are dealing with problems like elections in Namibia... South Africa is watching what happens very carefully". Mr Mogwe believed that Zimbabwe would be an example of multiracialism and he cited the example of Zimbabwean delegations at international conferences which included whites. It would be a good example both for Africa and for South Africa, he said.

Botswana cannot at present escape the fact that South Africa is its most powerful neighbour and controls most its transport outlets. What happens within South Africa is of direct interest to Botswana. But did minister Mogwe



External affairs minister Archie Mogwe

think the changes in the republic since Prime Minister Botha took over were significant? "I think we ought to congratulate them for the little cosmetic changes they have made. But it would be unfortunate if that is as far as they can go. They must go much further and tackle all the discriminatory laws, perhaps not overnight, but one by one. At present the changes are purely cosmetic.

"I would be optimistic about peaceful change if the South Africans were not creating bantustans. We think the problem has to be taken as a whole. South Africa must remain a unitary state", said Mr Mogwe. One of the so-called bantustans is Bophuthatswana—Setswana-speaking like Botswana, and just across the frontier. Botswana refuses to recognize this "state". The relationship with the bantustans is as it was with Rhodesia after UDI. "We did not recognize the Smith government, but we still had to communicate with it, because of foot and mouth diseases. We had to point out to them that their cattle were coming across the border, bringing the disease, and stopping our trade with Europe. So in the same way, we talk to Bophuthatswana when there are matters of common interest, but we do not recognize them".

Minister Mogwe believed Botswana sets a good example in southern Africa. It has been politically and economically stable since independence, there are no political prisoners or political oppression. Ministers, he said, are not living in luxury in the capital but working and farming. There was, he believed, a homogeneous feeling in the country, and if there were hardships, people did not put it down to waste and indiffer-



Michael McGeever, EEC Commission delegate in Botswana, on an inspection trip to the Lobatse-Ramathlabama road project, financed by the EDF

ence among the leadership because ministers lived modestly and the administration was careful to avoid extravagance and waste. He believed also that this allowed Botswana to take moral positions on human rights which were credible, not only in criticising South Africa, but also, for example, when the government refused to send a delegation to the OAU meeting in Kampala during Amin's rule.

First steps towards a regional organization

As yet there are no formal regional economic organizations in southern Africa on the lines of ECOWAS in West Africa. Botswana is part of a common customs union with South Africa, Lesotho and Swaziland, but the future of regional economic cooperation in the area lies elsewhere "A larger organization is in the making" Mr Mogwe said, "and we had our first meeting early last year in Arusha of just the front-line states. But the aim was larger, and this year the Lusaka declaration was signed in Zambia. We haven't got a special name for it, there was just a declaration of the southern and east African states. Another meeting will be held in November in Maputo. It will be a donors conference. There are already certain tasks. Mozambique has to prepare a paper on transport and communications, and we who are chairing the meeting, have to look at agriculture and foot and mouth disease in the region. We hope to get outside help, from the World Bank, from the EEC, although we are aware that Mozambique and Angola are not members of the ACP group. They may still be thinking about it since the Lome Convention has improved intra-ACP cooperation. It has allowed us, for example, to ask some of our partners why they buy beef from Argentina or Australia when we have plenty here in Botswana. When people ask how we will get the beef to them we say through South African ports. They gasp and say 'through South Africa!' We reply that it's good beef all the same, and the fact that it has gone through South Africa doesn't change the taste.

"The more we speak about it the better since there are many African countries which can supply other African countries with the commodities they need. Perhaps we go to Saudi Arabia for oil, but there is oil next door in Angola. When you start to look at the possibilities you quickly see in a region like this that communications are vital, and for us, and also for Zambia and Zimbabwe, a trans-Kalahari railway would change the picture dramatically".

○ I.P.

EEC aid to Botswana — (1975-1980)

Table I — Total EEC aid

	EUA
1. <i>Indicative programme</i>	19 000 000
2. <i>Regional cooperation: (of benefit to Botswana)</i>	
Institute of Development Management (IDM)	500 000
Regional customs training	120 000
Posts and telecommunications training programme	1 000 000
Railway training project	2 000 000
University of Botswana and Swaziland	3 500 000
Botzam road	10 000 000
UN Institute for Namibia	500 000
3. <i>Emergency aid</i>	
Medical supplies and equipment for refugees	70 000
Contribution to the UNHCR programme for refugees in Southern Africa (of benefit to Botswana)	4 700 000
Control of foot and mouth disease	1 600 000
Railway equipment	1 000 000
4. <i>Food aid</i>	
Emergency food aid delivered in 1978 ±	190 000

Table II — Indicative programme (1975-1980)

	EUA
1. <i>Livestock and wildlife programme</i>	
Range management training centre	1 045 000*
Sheep and goat development programme	1 190 000*
Group ranching development programme	1 835 000*
Wildlife and range survey	697 000*
Wildlife training centre	179 000*
Reserve provisions	454 000
2. <i>Economic and social infrastructure</i>	
Rural development centres	1 810 000*
Water supply scheme (Stage II Broadhurst)	2 000 000*
3. <i>Communications</i>	
Lobatse — Ramatlabama road (of which preliminary studies)	5 013 000* (68 000)
4. <i>Industrial development</i>	
Assistance to small and medium-sized enterprises	2 556 000*
5. <i>Training and technical assistance</i>	
Multinannual training programmes	1 200 000*
6. <i>Trade promotion</i>	
Trade promotion programme	692 500*
Tourism study	50 000*
7. <i>Reserve provisions</i>	278 500
Total indicative programme	19 000 000

* committed.

STABEX

Round-up of Lomé I operations

The EEC Commission agreed a series of Stabex transfers involving 14 countries and 8 products, totalling 63.3 million EUA on 2 July. The main beneficiary was the Sudan, with 27.19 million EUA, for reduced groundnut export earnings. Other countries have also applied for compensation for this product. These decisions bring Lomé I Stabex payments up to 375 million EUA. The total amount earmarked for Stabex was 380 million EUA and the recent transfers more or less bring Stabex activity under the Lomé I to a close(1).

So, contrary to certain predictions, the credit provided under Lomé I in fact enabled the expenditure involved in running the system to be covered and there is even a small amount left over that can go into the Lomé II fund. The variation in outlay from one year to another was considerable:

1975: 80 million EUA;
1976: 37 million EUA;
1977: 34 million EUA;
1978: 164 million EUA;
1979: 60 million EUA.

Transfers covered 22 products and 37 of the 59 ACP countries.

Grants: 67%

252 million EUA was paid to countries in the least developed group which were not bound to help reconstitute Stabex resources. Overall, then, the poorest countries, with 40% of the ACP population, got a proportionally greater benefit from the Stabex system. And almost 70% of the cash paid over was to countries whose export cuts were due to natural disasters (drought, hurricanes, etc.). This underlines the point of a system like Stabex for countries whose often limited resources are constantly threatened by disasters of all

kinds. One example is the volume of the aid provided for the Sudano-Sahel area, from Senegal to Somalia - 172 million EUA, or 40% of all transfers.

The effect of the system

More comprehensive studies are needed to assess the economic effect of the system. But it is already clear that, among all the types of aid that

Lomé provides, Stabex transfers have given proportionally very great assistance to many countries.

In some cases, the transfers have exceeded the total amount of project aid provided for the 4th EDF indicative programme (in Mauritania, Senegal and Swaziland, for example). Often the extra resources thus provided vary between 30% and 50% (as in Benin, the Gambia, Guinea Bissau, Niger, Western Samoa, the Sudan and Tonga).

Decisions are taken fast and the cash is paid over roughly five months after the time limit for applications.

So Stabex, which is in addition to the exceptional aid intended to help ACP countries face up to unforeseeable situations and disasters, introduces a noticeable element of flexibility into the aid provided for them. ○

STABEX		
Overall breakdown by product ACP and OCT		
	Million EUA	%
Groundnuts	71.3	18.4
Groundnut oil	68.0	17.6
Oil cake	17.6	4.5
Iron ore	61.8	16.0
Cotton	43.3	11.2
Rough timber	38.9	10.0
Sawn timber	1.0	0.2
Sisal	20.6	5.3
Coffee	14.5	3.7
Copra	8.4	2.2
Coconut oil	2.1	0.5
Untreated hides & skins	9.1	2.4
Tea	8.4	2.2
Palm oil	2.2	0.6
Palmnut oil	5.6	1.4
Bananas	5.8	1.5
Vanilla	2.9	0.7
Cloves	2.3	0.6
Cocoa	1.0	0.2
Cocoa paste	0.5	0.1
Gum arabic	0.8	0.2
Pyrethrum	0.6	0.1
Ylang-ylang	0.2	...
Total	387.2	100

(1) 20 million EUA was earmarked for the OCT and 12.3 million of it was paid out (10.5 million to now independent OCT that have joined Lomé).

Gaston Thorn the new President of the Council and President designate of the Commission of the European Communities



The nine governments of the Community have agreed, and Greece has also been consulted, on the designation of Gaston Thorn as the next President of the Commission. He will take office at the beginning of January next year.

Meanwhile, since it is Luxem-

bourg's turn to preside the Council of Ministers, Gaston Thorn, as Minister of Foreign Affairs, will be in the chair of the Council of Ministers until he is officially designated President of the Commission, under the rules of the Treaty of Rome, in December.

A major and very positive event

All the observers agree that the designation of Gaston Thorn is an important and very positive event both for the Commission and for the European Community as a whole.

The future President's commitment to Europe is motivated by a profound conviction that dates back to the post-war period—nothing surprising bearing in mind that Thorn and his family suffered from the fighting that he always looked upon as European civil war. Robert Schuman's call of 9 May 1950 for soli-

darity between the nations of Europe naturally got a warm response from Thorn, as it did from people all over the Grand Duchy. So the new President comes from one of the founder countries of the European Community whose capital, Luxembourg, was the headquarters of the first European (Coal and Steel) Community.

With the important and international posts he has held, his experience, the confidence he has inspired in the leaders of many countries and international

organizations and his relative youth (it is rare for one so young to have held so many top jobs), President Thorn can view the future with pragmatism and confidence. He is one of the rare European personalities who can generate greater confidence in Europe—whether within the Community institutions, in the governments of the Member States or among the general public.

The future President

Gaston Thorn was born in Luxembourg on 3 September 1928. He spent his early life in France, as his father was an engineer with French railways, but the family returned to the Grand Duchy in 1939. On 10 May 1940, Thorn's father was arrested by the Germans and Thorn himself was interned for his political activity in 1943 and spent several months in a camp.

After the war, he went to university in Montpellier, Lausanne and Paris and, armed with a doctorate in law, returned to Luxembourg to the bar. He became president of the Grand Duchy's national union of students and of the World University Conference. As leader of the democratic youth movement, he stood in the 1959 elections, was successful then and has been successful at every election since.

He is a Luxembourg town councillor and was an alderman from 1961 to 1963. He sat in the European Parliament from 1959 to 1969 and became vice-chairman of the Liberal group, chairman of the developing countries committee and chairman of the Joint Committee of the EEC-AASM Association. He was also a member of the consultative assembly of the Council of Europe and the Western European Union for a short time.

Since 1961, he has been chairman of the Democratic Party of Luxembourg. He was elected chairman of the Liberal International in 1970 and has led the federation of liberal and democratic parties of the European Community since 1976.

In 1975/76, he presided over the 30th session of the UN general assembly.

In 1968, he was appointed minister for foreign affairs and external trade, the civil service, physical education and sport and, in 1974, he became president of the government and minister of state, without, however, having to relinquish foreign affairs. In 1977, he also



Gaston Thorn, President of the EEC Council of Ministers was asked by the 9 EEC member states meeting in Venice, to make an exploratory mission to the Middle East to try and find solutions to the conflicts in the region which threaten international peace. Among others Gaston Thorn met PLO leader Yasser Arafat in Beirut (photo), with whom he had a widely publicized discussion. It was the first time that a president of the EEC Council of Ministers had met the main Palestinian leader during an official visit

became responsible for the national economy and the middle classes.

He was head of his party's list in the European elections (held on the same day as the national elections in Luxembourg), but he declined to take up his seat in order to become vice-president of the new national government, minister for foreign affairs, external trade and cooperation, economic affairs, the middle classes and justice.

Thorn is married to Liliane Thorn-Petit, a journalist and honorary president of Luxembourg's journalists association. The couple have one son, Alain, born on 12 December 1962.

Gaston Thorn has been awarded countless decorations from many countries.

The new President's views

The traditional speech Thorn made at the European Parliament in Strasbourg on 8 July as President of the Council of Ministers of the Community revealed his present concerns.

The major challenges—energy and the Third World

As far as the economy is concerned, Thorn intends concentrating on the two major issues which "could well shake the stability of the world", namely the energy crisis and relations between industrialized and developing countries.

Enlargement—the schedule maintained

Gaston Thorn warned the Community not to overdramatize the inevitable problems of the negotiations for enlargement. He would be doing his best, he said, to avoid the schedule being upset, even if it seemed rash to try to fix a precise date for completion of discussions on matters of substance.

Industry

The president stressed the importance of deciding how those industries in difficulty, in particular the iron and steel and the textile industries, could make a dynamic response to new international market conditions.

The Middle East

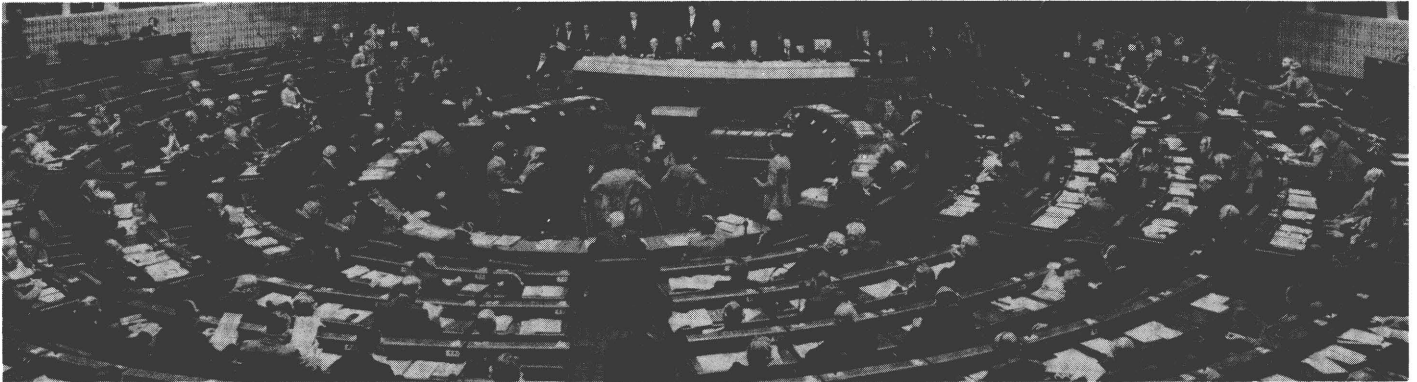
As far as political co-operation is concerned, Thorn said he would personally conduct the exploratory mission (decided by the European Council in Venice last month) to all parties involved in the conflict in the Middle East, "before the Nine face the rest of the world at the UN in New York".

The Member States would decide on what sort of initiative they might take in the light of the outcome of these consultations, Thorn said.

East-West relations

On the subject of the east-west situation, he thought that, in spite of the shadow the Soviet invasion of Afghanistan cast over the Madrid meeting on European security this autumn, the Member States felt the dialogue with the communist countries should be maintained and that Madrid was part of a series of important contacts which it would be wrong to cut off. ○

A.L.



Women in the European Parliament

The *Courier* has already covered three political groups as part of the series on women in the newly elected European Parliament. In this issue two very different political groups are covered—the European Democrats and the Communist and Allies group.

As with previous interviews the questions fall into three groups—impressions of the European Parliament, the role of women, and a section on the particular interests of the MEP concerned. For Lady Elles this was political affairs and parliamentary procedure, for Mrs Kellett-Bowman regional policy, for Mrs De March enlargement and for Mrs Squarcialupi the environment and consumer protection.

IV. The European Democratic Group

There are six women in the 64-strong European Democratic group, which includes four parties from two countries—the Conservatives and the Official Unionists from the United Kingdom, and the Conservative People's Party and the Centre Democrats from Denmark.

Baroness Elles, a former chairman of the British Conservative Party's international office, was made a life peer in

1972. She was a member of the nominated European Parliament from 1973-75, and an opposition spokesman in the House of Lords between 1975-79.

In 1979 Lady Elles was elected to the European Parliament for the Thames Valley, and remains a member of the House of Lords. She is vice-chairman of the ED group and a member of the political affairs and procedures committees.

Mrs Kellett-Bowman, a barrister, farmer and social worker, has been a member of the European Parliament since 1975. She was elected to the new parliament in June 1979 for the Cumbria constituency.

She has been a member of the British House of Commons since 1970, where she represents Lancaster. Her husband is also a member of the European Parliament.



Lady Elles



Elaine Kellett-Bowman

Lady Elles

“I’ve never worked in such an inefficient system and seen such a remarkable outcome”

I — Political affairs

► *EEC foreign ministers have been achieving a considerably higher level of cooperation over the last couple of years. Where do you think this foreign affairs cooperation at Council level has been most useful?*

— I would say particularly in relation to the Soviet Union and in its foreign expansion. Since I’ve been a member of the European Parliament, the coherence or cooperation between the member states in their approach to, for instance, the invasion of Afghanistan has, I think, been a real step forward, in that for practically the first time they came comparatively quickly to a common position. Of course, they didn’t react for about a month after the invasion, but even that was an improvement on past performances. When they did meet they at least did come to some common line of agreement. Their action was very much limited by the constraints of government; in our resolution on 16 January the European Parliament went very much further than the Council of Ministers did the day before in Brussels, and I think this shows the influence the European Parliament can have on the decisions of member governments in the future. The change in direction since January stemming from the resolution of the European Parliament has been very marked.

► *The Afghanistan crisis soured detente between East and West. Do you think detente is now dead or do you think it can still be kept alive, and does the European Parliament have a role in detente?*

— Well, I don’t think that the Afghan invasion soured detente. The Soviet Union has one interpretation of detente and we have another. The Soviet Union’s view, and they have always expressed it, is that detente is merely a period in which they hope there will be no military aggression as far as their own territory is concerned, in order that

they can fight for the expansion of communism throughout the world. They have always said so. They regard this as a time factor for their ideological struggle for the spread of communism. We in the West have a different view; we regard detente as increasing cooperation between peoples, strengthening the relations between East Europe and the West in the hope that those who are living under oppression should have that oppression somewhat relieved over a period, and as a contribution to keeping world peace. So our views as to what detente means are totally different. We also regard detente as a global policy; it effects all nations and it is not just for the convenience of the Soviet Union to invade other countries or to create destabilization in areas such as the Far East or the Horn of Africa, while saying they are still pursuing the policy of detente. The two simply don’t measure up.

► *What was your view of the recent statement on the Middle East by the Venice summit?*

— I think it was very helpful and for once, coming from Europe, rather positive.

► *You don’t think it undercut the American position in the negotiations after Camp David?*

— Well, the Camp David negotiations are at a standstill at the moment. Nothing was happening and that’s why I think the European statement was rather more helpful. It defined very clearly what the position of Israel is—that the boundaries of Israel should be recognized in accordance with resolution 242 and that without any consideration of the position of the Palestinian people and their right to self-determination there can really be no hope for any settlement.

► *How do you see the EEC’s relationship with the United States?*



Lady Elles

— I think there has to be a balanced relationship between the European Community and the United States. Clearly, both parts of the world need each other as a protection for freedom and for the development of a free market economy.

Clearly it is in the interests of the East to provoke situations whereby Europe is ready to criticize America; and there may be grounds on which, from time to time, the European Community can criticize America, for instance, on questions of steel dumping and various commercial agreements and trade situations. But overall it would be quite untenable for the European Community to consider that without the United States it could, so to speak, go it alone. We need the United States for the military defence and protection that it provides.

We need America for trading and commercial purposes just as the United States needs us, and I certainly believe in a strong alliance with the USA as one of our partners in an international treaty, the NATO treaty.

► *Defence has always been a very sensitive subject at the European level. Do you see any further cooperation between the Europeans in defence?*

— I certainly think that some form of cooperation is essential. We already have it, in fact, in the Western European Union, and again I believe that in industrial policy, military and defence



Lady Elles during a visit to a china clay factory in her constituency

elements should be encouraged and developed. But I do not see a separate European defence policy outside NATO. I don't think that is something we should be going for at all.

► *The Community recently welcomed a 60th member to the ACP group, Zimbabwe, after many years of conflict in that part of the world. The Parliament itself is involved in reviewing the progress of the code of conduct on European firms operating in South Africa, and South Africa is now the central point of concentration as far as the Africans are concerned. Do you think the Community could do more to bring about change in that country?*

— I think ultimately change will come about in South Africa because of the evolution of its peoples as a whole. I don't quite see what your remarks on Zimbabwe have to do with South Africa.

► *I think the ACP group sees the relationship with Europe as an increasingly political one and therefore expects European initiatives on issues like South Africa.*

— That may be another matter, but, after all, South Africa has been an issue for the other African states ever since the Soviet Union started using this particular area as a means within the forum of the United Nations. This is nothing new and the African states and the Group of 77 have always been concerned with the situation in South Africa. I don't think that has changed, particularly. What has changed is the independence of the states around the borders of South Africa, and probably the crucial effect on South Africa will come when the situation in Namibia is resolved one way or another, by which time it would be completely surrounded

by black African independent states. I think that is more relevant than the effects of Zimbabwe joining the ACP group. Undoubtedly the situation in South Africa may be affected by European Community commercial policy or external trade policy. But South Africa is very largely a self-sufficient country, much more than Europe is, so that I personally don't think the European Community is going to have an effect on the internal position of South Africa all that much through the Lomé Convention.

II — The work of the Parliament

“Democracy is not an orderly process”

► *Turning to the European Parliament, where you sit on the rules and procedures committee, do you think that the amalgam of national traditions in the Parliament has proved a workable format so far?*

— It will only be workable insofar as the members of the European Parliament wish it to work. The United Nations organization has comparatively flexible rules of procedure, yet they work well because member governments have discovered that it is in their interests that the rules of procedure should work for the benefit of the delegates attending the UN, whether in the General Assembly or within its various bodies. Now if there are people in the European Parliament who want to disrupt it, they can always find means of doing so, and it is dependent therefore on the wishes of the members whether the rules of procedure work. Of course they can be revised, they can be modified, they can be amended, as indeed

we have tried to do and in some cases have succeeded. But you only have to look at the session this July, when perfectly reasonable recommendations were made to the Parliament with regard to urgent debates and explanations of vote. It was not possible to pass these because there was not a majority of the house, in accordance with rule 54 of the rules of procedure, to vote those changes in(*). So, again, if members are going to try and disrupt the Parliament, they can always succeed. After all, the House of Commons, after 700 years, still manages to find ways to disrupt proceedings. On the other hand I think it is fair to say that democracy is not an orderly process; it never has been, and I hope never will be so orderly that the voice of a member of parliament can't be heard when he or she feels the need to speak on an urgent matter.

A miraculous first year

► *One of your colleagues, Lord Harmer-Nicholls, recently said that he had sat on a local council, in the House of Commons, in the House of Lords and now in the European Parliament; he has been on all four levels of government, and the European Parliament was the least efficient and the least effective. He is therefore a little sceptical about the Community's ability to survive unless it reforms itself. Do you think he is being a little harsh, or too pessimistic?*

— I disagree with him totally. I think, on the contrary, that for 410 members from nine member states, 50 political parties and six languages, meeting in three places, to have done what we have done in the first year is miraculous.

► *What is your view of the present tour of Europe that goes on between Strasbourg, Luxembourg and Brussels?*

— I can say for myself that I've never worked within such an inefficient system and seen such a remarkable outcome from it. For me particularly, to have to work without the benefit of a library is intolerable. Admittedly we have the benefit of being able to sit in the Council of Europe and we have very able assistance from our own staff in the European Parliament and in Brussels. But we certainly don't have the books, the documents, the Hansards, the reports or anything at our immediate disposal, as we do in any of our national parliaments. It can't encourage new members, in particular, who have never worked in a parliament, to do

(*) This requires a majority of total membership, not just a majority of those present, or those voting.

good, serious work, never to be able, for instance, to go back to a reference or check what they're saying. And this to me is one of the most intolerable aspects of our work. The other is, of course, the carrying of documents and papers from place to place, which are extremely heavy and somehow often turn out to be the wrong ones. So we are dependent on the good offices of our secretariat, who again, of course, have not so far increased in number, although in our particular group they were allotted to 16 members rather than 64. I think that our secretariat has done remarkable work to keep us going under great difficulties. So that again has been a great handicap.

Certainly I believe the vast majority, if not all, my group feel that to work in three places is intolerable, not only from the work point of view, but simply in that when you are trying to explain what the European Parliament is, people have no vision even of a building. We in Britain can refer to our own Houses of Parliament, which are historic and famous buildings. So even if they don't know what goes on inside, it provides a concrete image to people of what that parliament is, and similarly, no doubt, in other countries members can point to their own national parliaments. But Europe has not yet got a building of which it can say: this is our parliament and this is our building.

Cooperation with the EPP

► *Would you like to see your group working more closely with other groups in the European Parliament, particularly the European People's Party?*

— Very much so. I think that in this first year, which has been difficult for everybody as there were many people who were inexperienced, we have had remarkable cooperation already with the European People's Party. I hope that that will progress. By and large we share the same philosophy, the same principles and the same desire for close cooperation. So I sincerely hope that this cooperation will be developed.

► *The Conservative group in the Parliament was criticized because on a proportional basis.....*

— The European Democratic Group.

► *The European Democratic Group—but I was thinking particularly of the Conservatives within that group who were criticized because, on a proportional basis, they were over-represented and that distorted the balance of the Parliament as a whole. What sort of common electoral system would you like to see for the next elections?*

— You're talking about the British Conservative element. Well I don't think we're misrepresented at all. I think the tragedy was that the British Labour Party, or elements of it, have consistently taken up an anti-Community stand and therefore the poll was very low in our European elections in the UK because people as a whole did not want to vote for anti-EEC candidates. It was certainly true in the constituency in which I stood. Socialists told me that they would rather vote for me or for nobody than vote for a candidate who was anti-EEC. So one can only blame the British Labour Party themselves for not producing candidates who responded to the wishes of the people in the United Kingdom.

With regard to the system, I'm perfectly happy with the present system for three reasons: first of all, I know there is a feeling that there should be a British Liberal represented, but if you look at the polling figures of the 1979 election, if the Liberals had had a good candidate and done their organizational work properly there was no reason why they should not have got in in some of the seats where, in fact, British Conservatives won. We have a member who got in for Liverpool with 25% of the vote. Now, if there had been a good Liberal candidate it would certainly have been possible for that Liberal to have got in with, say, 26% of the vote, but that didn't happen. The result showed the wishes of the British people quite clearly. So I'm not particularly keen on changing a system in order to assist a political party, ostensibly anyway, since the country apparently doesn't want to have that party representing it.

Secondly, I believe that the system we have of direct representation, under which the people in the constituency know who their member is, is a very valuable relationship which should be retained.

And thirdly, I very much dislike the list system operating in other member states, whereby people can resign or retire from the Parliament although they are the ones who have been chosen and elected by the people, and candidates lower down the list become members of the European Parliament although they clearly were not chosen by the electors. I am informed that 25 members have resigned within the first year of the Parliament and been replaced by members who were not elected, but were lower down on the respective lists. I don't find that a satisfactory way of choosing people to represent you.

► *And what do you say to the criticism which comes from other Europeans, particularly the Liberal and Democratic Group, that 13% of the Brit-*

ish population are not represented in Parliament because there is no Liberal?

— That, of course, is not strictly true, because you can say that 13% of some other group in society are not represented because they didn't put forward a candidate or suitable candidates who the electors wanted to choose, as I pointed out just now. There was plenty of opportunity, in view of the low polls, for Liberals to have got in if they had had suitable candidates. They didn't get in because they didn't have enough votes in any particular area. But they didn't need a great deal of votes to get in. In my own constituency I had a very large majority and the Liberal candidate there, a very nice and able man, was honest enough to say on the platform when the votes were declared that whatever system had been used he would not have got in and I would have won in my constituency. I think that this can be said of every single constituency. Everybody had a chance and the Liberals didn't take the chance offered to them.

► *Looking at the consequences of enlargement, do you think the Community's ready to accept three new members? It's already committed to one, but are the institutions ready for it?*

— I think the task of the institutions is to serve the people who are there and it's up to the institutions to make themselves flexible and able to deal with 12 countries. We are often fobbed off with the excuse that things are administratively impossible and therefore don't get done. I think things should be done and the administration is there to do the things that we want them to do. So I very much welcome enlargement. I think it will be good for Europe and good for the three countries that are coming in, and I think it's up to us to make it that way. I certainly look forward to Greece coming in. I think the Community can bring benefits to the people of Greece just as I believe the Greek people can make a very valuable contribution to the development of the Community. And I also think that Spain and Portugal would be very greatly helped by coming into the Community. All three countries have had a very difficult time, with their various forms of dictatorship and oppression, and I think the peoples of those countries feel particularly vulnerable and in need of support from other countries which have long-standing democratic systems.

I think that perhaps we, who have been very fortunate in always living in an era of freedom, particularly in the United Kingdom, don't always realize what it's like to live under a regime of oppression, or the feeling of relief after

that regime has been removed and the anxiety that a similar regime, either from the extreme right or extreme left, might return for some reason or other. And therefore I think we owe it particularly to these countries, who have had, perhaps for the first time in history, bloodless changes from regimes of oppression to fully democratic regimes, to give them all our support. If they ask to come into the Community I think we should accede to their request and make it possible for them to join as soon as possible.

III — A woman for the Commission?

Do you think Mrs Thatcher, or any other European leader for that matter, should specifically choose a woman to be on the Commission which will begin its work next January?

— I certainly think there should be a woman member of the Commission, if

only to stop the idea that only men are suitable. In all the years since 1957 there hasn't been a woman commissioner. I can't believe that in the whole of Europe there isn't one woman who is capable of being a commissioner, particularly when I look at the performance of some of the male commissioners.

► *Would you like this to be a specific act of policy or would you prefer to see women just emerging as the best candidates?*

— On the whole, people tend not to look for a woman candidate unless they are forced by some outside means to do so. I think once they decide that they want a woman candidate, or think that they are more or less morally obliged to have a woman candidate, they will find that plenty of women are capable of taking on this particular job. And one hopes that the process will expand and increase. But I think unless you are forced at some stage to have what might be called reverse discrimination,

that is, that you should have at least one woman, the thing will never get off the ground at all.

I'm on the Vandewiele working party looking at the structures and administration of the Parliament. In the directorate-general that I have been asked specifically to look at, I had a very interesting meeting with all the A grade personnel—very typically, they were all men. I asked specifically to have an interview with anybody who wished to come and see me from the C level to discuss their problems and so on. A very large number came, completely voluntarily and with the acknowledgement of the director-general of that particular directorate. They were all women. Now that, frankly, is not an ideal situation, because I'm quite certain that there are many women who are perfectly capable of being good A grade staff just as I'm quite certain that some of those C posts could be perfectly well filled by adequate men. ○

Interview by IAN PIPER

Elaine Kellett-Bowman

“Regional policy is of crucial importance to the whole Community”

I — The European Parliament

► *After being rejected by the European Parliament, the Community budget has finally been approved. Would you say this has been a useful experience for the Parliament, has it increased its powers in any way, and what do you think the long-term consequences will be?*

— I think it has certainly increased the Parliament's influence, which is now far more important. I thought it was a vital step that we had to take for the simple reason that the budget, as it was first presented to us, was totally unbalanced. It is still unbalanced, but a little less so than before. One of the really important things, and it has commonly been overlooked, was the fact that, by taking a tough stand on the budget, we squeezed out of the Council an absolute guarantee that they would get

Commission proposals for restructuring the budget by June of next year. So from then on we should, in time, get a very much better-balanced budget than we have at present. I think this assurance was more important than the actual change of 240 million units of account that we secured.

► *During this last session of the Parliament the European Democratic Group was involved in discussions about procedures and rules. Does this indicate that you in particular and the group in general are not happy about the way the Parliament works?*

— It was not our group only, the entire Parliament was trying to rejig its rules under the Luster report, which unfortunately was defeated because the socialists voted against it. I think that's a tragedy. The present rules were designed for an un-elected parliament of half the size. As they stand, they put



Elaine Kellett-Bowman

far too much power into the hands of a very small and unrepresentative minority; it's really parliament by demagoguery at present, and the aim of the amendments we put forward—and they were agreed in the rules committee—was to stop the filibustering that goes on at present. When I first came into the Parliament, 75% of the time in the plenary sessions was devoted to studying and discussing reports. Debates on reports had been very carefully prepared, they'd been researched

and they were done by people who really took an interest in the subject. If you have these constant emergency debates, off-the-cuff, throw-away debates, they do absolutely no good to anybody and indeed they probably do harm at times. It's far better to have the bulk of the Parliament's time devoted to properly-structured debates on matters that really have been researched. The last time I enquired, time for that was down from 75% to 45%. That, to my mind, is making a mockery of parliament, and I thought it was most unfortunate that the socialists saw fit to prevent us from bringing our procedures up-to-date and into line with the number of members we now have. As regards these emergency debates that come up every morning, not only are there far too many of them but we spend far too much time merely deciding whether to have them or not. I thought the proposal put forward, which would have limited these debates or allowed them only if they had real support and not just the support of three or four people, would have been a great improvement. I'm very sorry the socialists voted it down.

► *What do you think will happen now, especially with the enlargement of the Community, which will increase the number of parliamentarians?*

— I think it will make life even more difficult and this was one important reason to get the amendments through now. The difficult rules were rule 14 and rule 26—the ones on urgency and "explanation of vote"—those were the sort of things that we felt should be altered; I'm afraid that with the highly-volatile Greeks coming in we could have a lot more problems along these lines. And what I'm afraid of now is that, having tried to improve the procedures by extracting rules 14 and 26, we shall find ourselves having to revise all the rules, rather than getting these two out in advance.

Perhaps it could be done in slabs, say, up to rule five and then up to rule 10. The difficulty is, of course, that in general we have to have 206 members to pass amendments and it's not easy to get that majority. This is where we fell last time—we got a huge majority in favour of our proposals but not 206 members present. It may well mean that we have to find some mechanism for linking votes on that to votes, for example, on the budget, where you also have to have 206 votes.

Relations with national parliaments

► *The European Parliament has now been functioning for a year. Are you satisfied at present with the contact*

and relations between the EP and your own national parliament?

— No. I can't say I'm satisfied with them. I think they're building up all the time, but they were very flimsy indeed to begin with. I believed myself, and still do, that we should have had 10 dual mandate members in my party, because in that way we could have covered all the backbench committees in the House of Commons and done the corresponding stint out here. There are only four of us and it isn't nearly sufficient to do a proper job. Relations between the European Parliament and Westminster to begin with were virtually non-existent; they are improving all the time and we in our group now have the privilege—well, it's almost a duty—of attending back-bench committees in the House of Commons to try to keep our colleagues there informed of what's going on here, and they equally are very welcome to come to any of the meetings we have out here, although of course it's an expensive business. But when we have our group meetings in London then we're only too happy for them to attend and to find out exactly what we are doing from the other end.

► *We're coming up now to the appointment of a new Commission and there have been suggestions that for the first time there should be an effort to appoint women commissioners. Do you think that's a valid approach, or do you think that women commissioners should emerge naturally, just as Mrs Thatcher emerged in British politics?*

— I should be delighted to see a woman commissioner, but I should want her to get the job on merit. I don't think of commissioners in terms of their sex. I don't think of MEPs in terms of sex. As far as I'm concerned, we are all parliamentarians. As far as the Commission is concerned, they would all, for my part, be commissioners, and I don't think there should be any special clause to say that you've got to have a statutory female commissioner. I'm sure they should get it on merit and I'm quite convinced that they will do so.

► *Do you think, therefore, that the Parliament should not spend its time specifically looking at women's rights, but should consider rights in general—individual rights and rights of minorities?*

— I think the Parliament should consider rights in general, and it does.

II — Regional policy

► *One of your main concerns is regional policy and you sit on the reg-*

ional policy committee. Since the Parliament was directly elected and there has been more direct contact between the electors and parliamentarians, has this increased interest in regional policy or changed its direction in any way?

— There was always tremendous interest in regional policy in our part of the world. I come from the north-west of England and when I was asked to come out and serve in Europe five years ago I stated quite categorically that I would not unless I was allowed to serve on the regional committee. To my mind regional policy is of crucial importance, not only to the United Kingdom but to the whole Community. I believe very firmly that if we don't reduce the gap between the richer and the poorer regions, the whole Community will fall apart at the seams. I've said this over and over again. The gap is widening and that's something we have got to stop.

Regional policy only goes a very small way towards that, it really only skims the surface, but at least it's getting more important. I had the great satisfaction the year before last, as the rapporteur for the regional committee on the budget, of managing to get a very substantial increase from the 650 m EUA that the Council was wanting, to plus 1 100 m EUA; and this year we got it to 1 165 m EUA. It's nothing like enough, but it's moving in the right direction and the balance of the budget is changing. This again wasn't really noticed. In the past, from 1976 to 1979, agricultural spending increased at a rate of roughly 30%; it is down to 12% this year. Regional policy increased previously at about 12%, or something like that, and now it's up to 21%. It's very important that the balance between these should change.

A fanatical believer in the EIB

But it's not only regional policy we've got to do it for, we've got to go for the coordination of all the funds. Now I'm an almost fanatical believer in the European Investment Bank; I think this can serve a very useful purpose in regional policy and as I go around my own particular constituency I find it's been very extensively used. We've got a tremendous problem of dereliction in the north-west, particularly underground dereliction—many of our sewers and water-pipes are 100 years old and a major sewer collapses on average every day of the year. One day a double-decker bus could happen to fall in a hole due to sewer collapse and the water filling up behind it. That, of course, would call attention to the problem. But the European Investment Bank is helping us enormously by giving us tremendous loans, at favourable rates of interest.

They're helping with our infrastructure in every way.

For instance, I heard recently from Lancashire County Council that the European Investment Bank has handed over the first tranche of £ 3 m out of a £ 9 m loan for a motorway project, and when I go around the factories in Cumbria I find that new paper-making machinery or new shoe machinery is being installed with the help of the European Investment Bank, and smaller companies are grouping together and getting group loans. Some quite small factories have had EIB assistance and I think it's extremely useful. We want to exploit it a great deal more than we do at present.

► *What do you think of the criticism that regional fund finance and EIB funds, for that matter, in the poorer regions are nothing more than a palliative for the adverse effects of other policies, such as those in agriculture and steel?*

— This is precisely the point. They are only really skimming the surface. They need to be very much bigger. They are intended to redress the balance as times change and different industries come up and others go down. Of course there are going to be social effects, and one of the purposes of the regional fund is to counteract those social effects and to prevent people leaving the regions. These policies are about people, not just about cash. The job of the regional fund is to help alleviate the problems which the changing structure of industry does cause, to help fight unemployment, to bring in new industries where old ones are declining.

► *Presumably it isn't just a question of the amount of funds, but of pursuing particular types of regional policy. Does the EP committee have a preference for particular types of intervention?*

— No. That is very much in the hands of the national state. I myself would have preferred a rather more Community-based policy. I thought the principles in the Delmotte report in 1973 were very good, because those were going to concentrate on Community criteria such as areas of declining industry, areas where the gross national product is below the Community average, areas where an undue proportion of people were engaged in, say, agriculture or a declining industry such as textiles, and de-population. All these sort of neutral criteria were going to come in, and I thought that was the right way to do it. As it is, you can't always get a very balanced regional policy, since governments come and go and because regional policy changes within the national structure. If you had

these Community criteria, Community policy would go smoothly irrespective of changes of government.

Tourism brings jobs

► *There are quite a few tourism projects under the European Regional Fund. Is this a last desperate attempt in some areas to find something which might...*

— This is not a last desperate attempt at all! We pioneered tourism grants in the north-west and I'm very proud of them indeed; it's not a last desperate attempt, it is an advance into the future. We have managed to get tourism grants in areas which are suffering very badly from decline. Take, for example, Maryport, an area that has suffered very sadly from the decline in steel and coal. It is surrounded by the most beautiful countryside and this is where there are the jobs for the future; there is no desperate attempt about it at all. It is simply looking to the future and thinking, we've got all these school-leavers coming and wanting jobs, will they necessarily want jobs in the professions and the trades of their fathers or will they want to look ahead to other service industries? As we get more leisure, tourism is going to be extremely

important. The difficulty was to get it declared a tourist area and now it has been, there's no reason why other tourism grants shouldn't go ahead in other parts of Cumbria and Lancashire. In Lancaster we got an old judge's lodgings turned into a gorgeous museum for locally-made furniture and for dolls. We've got a leisure centre there, again, looking to the future, providing interests and holiday attractions for tourists and facilities for the resident population. These are the sort of things that, as our leisure hours build up, we've got to be doing.

► *In many of the developing countries tourism is criticized for the social impact it has on the local community. You're not too worried about the impact increased tourism might have on the Lake District for instance, which is in your constituency?*

— No. I think they handle it very carefully. Moreover, tourism is increasing in that part of the district which hasn't benefited from it in the past. That is where the regional fund is giving its support, for places which haven't previously had tourism, for example, Maryport. Part of the Lake District has been neglected in the past and could benefit very substantially from the fund now. It's by no means a congested tourist area.



Mrs Kellett-Bowman discussing a design point during a visit to Storeys plastics factory in Lancaster

► *Would you like to see greater emphasis on small and medium-sized enterprises from the fund?*

— Oh, indeed. But we do go in for that a great deal because our own national regional policy goes in for advanced factories, among other things. To begin with they built factories that were too big with Community funds, covering around 5 000 sq. ft. Now we have found from experience that 1 000 sq. ft. is about right, or even smaller—what we call “seedbed factories” are of tremendous help in providing fresh employment.

The great problem with the north-west has been that it has always been too specialized, it's dependent on the older industries, and we've had nothing coming up like new growth from beneath. With tiny factories you can get much greater diversity. If you've got one factory of 1 000 people and that is hit, the whole town is hit. But if you've got 20 factories of, say, 50 people, it's very unlikely that they will all suffer from depression at the same time; you've a much greater spread of opportunity for young and old alike, and you've got a much better balance when times are hard because they're much less likely to be effected at the same time. If you're too specialized in one area you are always vulnerable to changes in the pattern of industry.



Mrs Kellell-Bowman during a plenary session of the Parliament

A Community approach

► *Do you find on the EP committee that each national delegation is supporting its own projects and interests, or is there mutual understanding of regional problems?*

— I think there is a great deal of mutual understanding and this is why, although I'm not in favour of what we call swanning, i.e. just going to places for the sake of it, I do think the regional committee has a duty to go to places because it cannot really understand the problems on paper. I think it ought to see what it's talking about, and when you've been to someone else's country and seen the problems they face you are very much more sympathetic and you frame your questions more towards their problems.

There isn't a rigid party demarcation in the regional affairs committee or the social committee, as there would be across the House of Commons; it's not a sort of them-and-us situation. For example, if you have textile problems you will find that some Socialists or some Liberals in other member states have similar problems.

So you can combine to get a resolution which combining only with your

more usual allies, for example, Christian Democrats, might not give you sufficient numerical strength to get it through. You can discuss problems in the European Parliament with members of other parties and a common solution can very often be found.

Britain's budget contributions

► *As a British member of the European Parliament during the great debate about whether Britain is or isn't getting a fair deal out of the Community, do you think this has been settled with the changes that have been agreed?*

— Oh, I think Margaret Thatcher got an absolutely marvellous deal out of that. She would have been quite wrong to take the original budget settlement that was proposed. The settlement that is now proposed, although it's only short-term in the sense that it covers two or possibly three years, is tied up with getting new structural arrangements, which I think is the key to the whole thing.

It is ludicrous, or was ludicrous, that a member state which was in the bottom three in terms of gross national product

per head should actually be the highest contributor to the Community. That made a nonsense of the treaty aims, of the convergence of the economies of the member states, and I'm very glad that we got this exceedingly good budgetary settlement—and, of course, that so much of it was devoted to the regional fund or to regional policy. Looking to the future, with the structural measures that the Commission is bound to bring forward by the middle of next year I don't think this sort of problem will arise again. I think we may well find that we have solved it once and for all. But it was absolutely essential. We could not go on, as we were, contributing massively more per head of population than other countries, and it was absolutely vital to get this particular problem out of the way. Until we got it out of the way, we couldn't really wholeheartedly collaborate with all our colleagues. Now a cancer has been removed and now we can all get on to solving the problems of the Community, which are massive in the present oil recession. We can now go wholeheartedly into solving those together in a way we couldn't do while there was this considerable injustice to the United Kingdom. ○

Interview by I.P.

V. The Communist and Allies Group

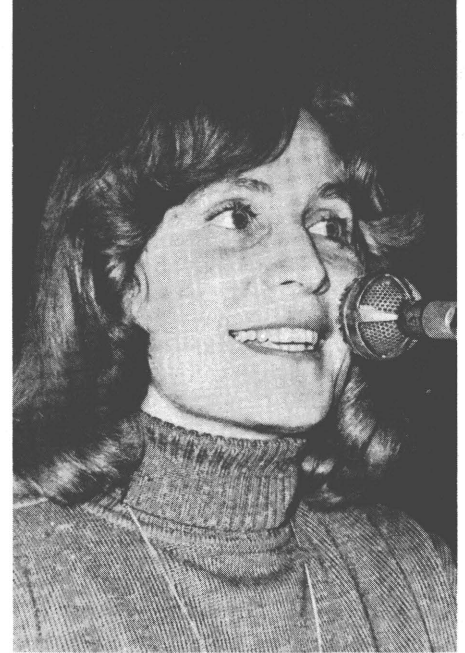


Vera Squarcialupi

The Communist group includes the Communist parties of Italy and France, and the Socialist People's, Party from Denmark. Among its 44 members are 10 women.

Mrs Squarcialupi was elected to the Italian Senate in 1976 as an independent on the Communist list, and has been a member of the European Parliament since the same year. Mrs Squarcialupi, who was born in Yugoslavia, comes from Milan and is a television broadcaster by profession.

Mrs De March is a civil servant and after her election to the European Parliament in 1979 became one of its 12 vice-presidents. Mrs De March comes from Toulon and is a member of the central committee of the French Communist Party.



Danielle De March

Vera Squarcialupi

“The mass media are very important in achieving a new international order”

I — The European Parliament

► *Last year the European Parliament rejected the Community's budget for the first time. Do you think that this was an important step for the Parliament, that it has increased its powers? What do you think of the long-term consequences of this decision?*

— Rejecting the budget was a very important move, I should even say an obligation for a democratically elected European Parliament, because it was the most concrete way of expressing its will and power. Giorgio Amendola, the European Parliamentary group leader,

who died a few months ago, said that if a democratically elected parliament had powers, it should make use of them. The Parliament had the power to reject the budget and still has, though it had never used it before. It often happens that a parliament exerts its power by making full use of the institutional means at its disposal, which by force of habit it has never used before. As for the future, I think that this is a very young institution, to which every member, political group and even every citizen has to lend his imagination. It is different from all other parliaments; over 50 parties and nine nationalities are represented, there are 410 members, different cultures, different ways of life and economic conditions. I think it

would be a mistake not to inject something different into this parliament. Of course diversity does not mean chaos or abuse, but must mean a new way of approaching our people's future. The new way must mean understanding that there are certain important problems such as labour, energy and peace which cannot be solved by any one or even two countries, but which must all be solved together by a group of countries, which at a certain point decided they had a common future.

The Parliament must adapt to enlargement

► *Bearing in mind all these different ideas, are you satisfied with the way the European Parliament is working now? Are you sure that it can adapt to the new EEC countries, Greece first of all, and eventually Spain and Portugal?*

— The expansion of the European Economic Community is highly important in political terms. More than anything else it is a historical reflection of democracy in that these countries have emerged from dictatorships and military governments. The way it is organized now, the Parliament certainly is not able to cope with the problems of having

even nine member states. It will have to be reorganized, but while I do think that this is a very important problem, it does also take second place. What is important is to be politically committed and not simply desirous of accepting these three countries. The expansion is also significant in shifting European influence towards the Mediterranean countries. Accepting these three countries in the Community means moving closer and closer to the under-developed countries which are often used to give vent to all the tensions of the Western world. This may be political tension or economic problems, such as the uneven distribution of wealth between North and South, and between industrialized and underdeveloped countries.

► *As the Community expands, the question of contact between the European Parliament and national parliaments may become increasingly important. Are you yourself satisfied with the present contacts between the national parliaments and the European Parliament?*

— I don't think we're the same thing at all. I don't think contact between the two should become institutionalized. Each of them has to act within the limits of its own authority and powers. If after that the political groups represent a link between the national parliaments and the European Parliament, this is something that should keep within the context of the groups themselves. We are first and foremost European members of parliament expressing the will of a specific people. We are not Italian members of parliament who have been transferred to the European Parliament. We feel the need to be European members of parliament more than anything else.

► *There is shortly to be a new Commission presided over by Mr Thorn. Parliament may for the moment dismiss the Commission, though that is an extreme power. Would you like to dispose of more subtle, more delicate powers—to be able to influence the composition of the Commission and the way it is run?*

— Well now, it is important that we should have and make use of the possibility of censuring the Commission executive; something that has been attempted occasionally but has never actually been done is to reject the composition of the Commission. It has never been done and it is another thing that ought to be tried some time. It is a power that Parliament should, I think, make use of if necessary. However you are right to ask what the other stages in our relations with the Commission are. Certainly there's the question of having

some say in the choice of at least the President of the Commission. This is one of the demands we feel very strongly about as a group, being able to have our say about who the head of the executive Commission will be. We want to be able to count on this, to be consulted about the election and nomination of the President of the executive Commission.

The role of the groups

► *As a member of the Communist Group, would you like to have greater cooperation with the Socialist Group, for example?*

— First of all I'd like to point out that I am an independent elected by the Communist Party. In Europe it is rather extraordinary that a party should elect as almost 25% of its members of parliament people who are not members of the party. As independents these people are not tied to strict group discipline. In Italy, left-wing independents elected by the Communist Party form a separate parliamentary group. This, then, is an exception as far as Europe is concerned—that a party should give non-members the chance to become active politicians. Five of the 24 Italian members here at the European Parliament are independents. A reasonable percentage then.

About 20% of all members of the European Parliament are independents. As far as relations with other political groups are concerned, we certainly feel a greater need for contact. We accept



Vera Squarcialupi is an independent elected on the Communist list

and seek contact with the other popular parties representing the workers—for example, we often find that we adopt the same positions as the Socialist group, and obviously we often seek agreements, in the same way as the Communist Party in Italy has sought them in Italy, with parties representing the masses; not only Socialist, but Catholic masses too.

II — The position of women

► *It has been suggested that women should be nominated for the Commission. Do you think that a special effort should be made or would you prefer the type of natural progression that led in Britain, for example, to Mrs Thatcher becoming leader of the Conservative Party, not because she was a woman, but because she was an effective political leader?*

— It isn't easy to have clear-cut ideas about this, either as a woman politician or as a feminist. We do believe that initially in certain cases the issue has to be forced. Well then, yes, you are right to say: a woman shouldn't become a member of the Commission simply because she's a woman, but because she's an able politician. But think how difficult it is for a woman who wants to be a politician, or even for a woman who simply wants a job. A woman is asked whether she has a steady boyfriend, whether or not she's married, if she wants to have children; because a woman is still considered as something unprofitable in a society like ours where maximum profit and maximum output are put before anything else. I hope that there will be not only one, but several women in the new Commission, not so much because they are women but so that they can contribute their abilities and intelligence to a Community which needs ability and intelligence, but above all imagination—I mean, political imagination.

► *You are a member of the European Parliament's ad hoc committee on woman's rights. Do you think such a committee is really necessary? Wouldn't it be more useful, for example, to have a committee on the rights of migrant workers in Europe since they are having serious problems now?*

— Our committee is a temporary committee. It had to be set up because women had been stirred up for the European elections and we were counting upon their support and their votes to make the direct election of the European Parliament carry greater weight. At the same time, every woman who was elected was aware that the condi-

tion of women in Europe is not the same as that of men. It was therefore our duty towards the women electors to look into their condition. However, as I said, it is only a temporary committee. Afterwards, women's problems will have to be included with all the others. In short, all Community decisions will have to be interpreted from the female point of view.

For example, we hear a lot nowadays about microprocessors and new technologies; we must look at how far these new technologies, these microprocessors, will affect women's work. Every Community decision will have to be examined in terms of how it affects women. Problems will also have to be considered in relation to women's needs. The ad hoc committee on woman's rights therefore has the task of taking the lid off the saucepan and seeing what's inside, extracting all the conflicting aspects of women's lives so far.

The problems faced by migrant workers

You are certainly right to refer to immigrants who are having great problems at the moment. I can tell you since I'm Italian and have seen whole villages emptied by emigration. Every day we see the consequences for the families involved. However, emigrants' problems, like those of women, should not be seen in isolation, but should be considered in the whole political context. Taking decisions with regard to economic, agricultural and energy policies must mean taking account of the weakest categories too, and these are emigrants, women and the elderly. That is to say, every Community decision should take account not only of the stronger working classes, i.e. adult workers protected by trade unions, but also of the underprivileged categories, those which provide a reserve labour force, cheaper, more mobile labour, i.e. workers who can more easily be sacked or underpaid or who are in any case the best means of ensuring the greatest profit—which is the basis of our economy but which shows up all its limitations and all its inconsistencies.

Women's rights in the developing world

► *Are you also concerned about the rights of women in developing countries?*

— Yes, I've always taken a great interest in the problems of women in the developing countries. I've become involved, for example, by making a study of sexual mutilations, currently

being discussed by the woman's rights committee. It's a very great, very delicate problem, which is why I believe that it would be very useful to have calm but sincere discussions with the leaders, the ruling classes of the countries where sexual mutilations, such as infibulation or clitoridectomy, are still practised.

I believe that every people should have its own culture and that it is right to defend it. I do, however, believe that there are fundamental human rights which cannot be violated. This is why I shall fight to get the women themselves to refuse practices such as sexual mutilations which have been carried out for centuries; and it is precisely because this has been going on for centuries that it should be stopped, since it has a profoundly damaging effect on human beings. I have also taken an interest in information in underdeveloped countries. I'm a journalist and so I know the value of information received via the mass media. I made a study, sending a questionnaire to all the ACP countries; the study was issued to all the ACP countries' representatives during the meeting in Grenada two years ago. I have now brought the study up-to-date on the basis of the replies I received from about 20 ACP countries. I believe that information and the mass media are very important in achieving a new international order. Information in the underdeveloped countries is currently managed by five big news agencies, Reuter, Agence France Presse, TASS, UPI and AP—the latter two being American news agencies. This means that all culture, everything these countries know, comes to them via five big multinational news agencies. I think that each country's independence should also mean independence in terms of information media.

There is great cultural dependency which they themselves wish to overcome, and it is therefore right to help them even via the media to have some dignity of their own and the possibility of being culturally independent. They are even dependent for their culture on the colonial countries or those with strong economic and industrial influence.

► *One last question about this European Parliament's ad hoc committee for women: Have you found solidarity among the women despite the fact that they are of different nationalities?*

— Yes, there is basic solidarity among the women. We often find common grounds for discussion. Everybody wants to change the condition of women. Obviously we have different viewpoints as to how to change it and, above all, what it should be. I don't think, though, that there should be any illusions as to the solidarity of women

here in the European Parliament. It is there, but it is still limited. Limited because we've all been brought up in a male culture, so that competitiveness sometimes outweighs the sense of solidarity and sisterhood. Obviously the inconsistencies of the outside world are reflected within the ad hoc committee on women's rights. We're human beings, living in the world, absorbing all the daily contradictions, all the problems involved in being women, and it is often difficult to abstract oneself from these in one's parliamentary work.

As far as I'm concerned, no new way of being a woman and being a politician has yet emerged from the European Parliament, or at any rate, a great many haven't discovered this new way which is essential if one is to depart from the political methods which have been used up to now.

III — The environment and the rights of the consumers

► *You are also a member of the environment, public health and consumer protection committee. Do you think a Community environment policy is really necessary when, if they do not concern the planet as a whole, many of the problems are either national or involve only two or three countries?*

— There are no boundaries to problems of environment, indeed 80% of European watercourses belong to more than one country. There aren't any boundaries; the wealth of the environment belongs to everyone, so it's right and very useful that the Community should have a common environment policy, not only between the countries belonging to the European Economic Community, but also with the other countries. The convention on long-range trans-boundary air pollution is interesting in this respect. Signed also by the East European countries following the Helsinki agreements, it really makes the point that the environment, air, water, animals and so on, don't belong to individuals or even to individual states.

Above all it's important for the Community to have an environment policy because policy based on consumption and material goods is out of date, it has in a sense been superseded, and the people of Europe are becoming increasingly interested in wealth that is not material—such as the environment, culture and so on. They're looking for a new quality of life. As politicians it's our duty to help people to have a better quality of life, not so much based on a large number of possessions as on living in a world where it is possible to live better and, of course, in peace.

► *Are you satisfied with Community policy with regard to the problem of nuclear energy?*

— First of all I don't think that nuclear energy is the only thing that is threatening the quality of our lives. I think that it's only part of it, and that a bad nuclear policy, rather than a nuclear policy as such, will damage the environment, in the same way as the various energy policies used so far have been used so badly that they have ruined the environment. I do, however, think that the parties whose political activity is based on the conservation of the environment and the quality of life—the so-called "green" parties—can only be effective as movements, making the other parties aware of the problems, since environmental policy cannot be divorced from other policies such as employment and energy. One can't simply deal with one area of life. The various sectors concerning production must be seen in the context of action on a much larger scale. Consequently, while I have a very high opinion of the ecology parties, I should prefer them to be movements within political parties.

Europe and the crisis

► *In the beginning the Community was able to make great improvements in the life of the ordinary man in the street. There was more choice in the shops and higher wages, but considering the world economic crisis that has followed increased oil prices, do you think that the Community can continue to raise the standard of living of all Europeans?*

— I can't really say whether I'm optimistic or pessimistic—world and Community problems are so serious at the moment that I feel one should be cautious. I believe that the Community wasted many opportunities of facing up to the crisis at the beginning. We were under a false impression, the Community was deluding itself that the crisis that began in 1973, and even before, was an economic crisis and would therefore be short-lived, that it was just a question of waiting. The problems became increasingly serious and nobody thought that the good old days of cheap—very cheap—oil couldn't go on any longer, with low cost production of everything.

The Community has wasted many opportunities of improving the quality of life and people's standard of living, and unfortunately is continuing to waste these opportunities through not having any common energy policy. But quite apart from this one fact, I believe that the Community should by this time be revising its whole production method

and its entire way of dealing with economic problems.

When we talk about current crises, what we are really talking about is the crises of Western capitalist countries, and therefore of the relationship between individuals and labour, between rich and poor; these then are the major areas that the European Economic Community should be dealing with, besides specific topics such as energy. Until the European Economic Community has realized that it must be politically independent and use its own influence for peace and a better distribution of wealth, Europe will not be able to fulfill its task. As I've said already, many opportunities have been lost, irretrievably lost.

There are still opportunities, which will certainly be difficult to take advantage of, but which must be seized if we don't want this continent, Europe itself,

to reach irreversible levels of unemployment, pollution and dependency on the oil-producing countries—all the more so because we know that any inconsistencies within the Community would have very serious repercussions on the rest of the world too. In short, it is not a question of there being a crisis in particular sectors of the Community; the crisis lies within the Community countries themselves and above all, the economic system on which they are based, and it is in this light that action should be taken. If not, it will be a question of shifting some things in the budget from one item to another, of giving a little more money to one thing than to another, but we won't really be able to solve Europe's problems like that unless we realize that the crisis is in our system and that European Economic Community action should be directed accordingly. ○

Interview by I.P.

Danielle de March

Fighting for the workers and against supranationality

I — The European Parliament

► *Mrs De March, do you think that, when the European Parliament threw out the Community budget last year, it took a big step forward in asserting itself vis-à-vis the Commission and the Council? And a second question—what effect do you think this will have?*

— We voted to throw out the budget, but not for the same reasons as the majority of the members, who looked upon it as a way to greater powers, provoking what our friend Emmanuel Maffre-Baugé called the *comedia dell'arte*. It was obvious that the majority of the assembly, the Council of Ministers and the Dublin meeting looked like a single phenomenon and that the rejection of the budget was primarily aimed at extending the powers of the European Parliament and at asserting the new character conferred by universal suffrage with all that this implied. So, there was a desire to assert Parliament's new character, if possible, to go beyond its usual bounds and to make this clear during the debate on the budget. So, throwing out

the budget was not a key question, to our mind, as far as policy was concerned. However, the budget as it was ultimately voted has a very serious side to it. That is my own opinion and my party's opinion. What is wrong, we feel, is the new way funds have been allocated from the common agricultural policy to the industrial sector in Europe, which is being done, unfortunately, to the detriment of the farmers, as is obvious to me in my region. And it is also unfortunate that it is to the detriment of workers in industry too. The funds are being distributed in this way to help the big agro-industrial companies which dominate the agricultural sector. And there is industrial redeployment in Europe which is occurring in sectors like textiles, shipbuilding, for example, and iron and steel. The debate on the budget in fact made all this clear.

► *Do you see Parliament's powers vis-à-vis the Council and the Commission being increased and do you think they should be?*

— This is something most people would like to see. That much is obvious. The majority of the MEPs want it. We, the French Communists and allies, are



Danielle De March, the only Communist vice-president (deputy-speaker) of the European Parliament

in favour of the national parliaments being consulted on the main lines of the budget. We do not want to extend Parliament's powers over the major decisions which involve national structural policies. But we do not think, for example, that budget policy on the rural sector should be held up to question as it was when agricultural prices were discussed in February and that the real powers of the European Parliament, which are to vote and give the Council and the Commission an opinion on agricultural prices, should be neglected. In the February debate, one of the main powers of the European Parliament was neglected and the Council was given a free hand in the fixing of agricultural prices. In our opinion, there is a dual trend. Both greater powers and existing powers, on such important issues as agricultural prices, are being abandoned.

A mandate to defend the interests of the workers

► *How do you see the problem of dual mandates and the allied problem of relations between the European and the national parliaments?*

— Dual mandates are still a problem. I personally have only one mandate as an MP in the European Parliament: a national mandate to which I was elected by universal suffrage alongside a duty to my region. I think that the whole problem hinges on the choice one makes, i.e. what one wants to do with the European Parliament, what one hopes to see it defend and how much time one spends there. For us French Communists and allies, the answer is clear. We are there to defend the independence and sovereignty of our country, France, to do all we can to make

the European institutions more democratic and to strive to get Parliament to solve the problems raised by the treaties, particularly the Treaty of Rome, i.e. how to actually apply the major policies decided when the Treaty of Rome was signed. I should mention here that some of our concerns are to guarantee our farmers' incomes, to defend a proper employment policy and equal pay for men and women and, hence, to ensure less discrimination. Our mandate is to strive to see that the harmonization of social legislation we hear about is a levelling up and not a levelling down, to work for a Europe of social progress and democracy, a workers' Europe, and to prevent the economic power of big capital from adversely affecting our people, the people of the nine countries of the Community.

► *Although your party is important at national level, in France, the role of the Communists is somewhat more limited in Europe as they are only strong in two of the member states. Have you found that your political influence has diminished a lot here at the European level?*

— No. Not at all. First, I think there is this dual level you mentioned, the national level and the considerable support we get in France for the simple reason that we are the only people to fight against the policies of austerity and redeployment and to refuse to accept a consensus on how the crisis is managed. We have the same attitude in the European Parliament. What I mean is that the fairly strong political influence we have in France and our Communist comrades have in Italy has been reflected, via universal suffrage, in the European Parliament. You ask me

about our role here. Well, over the year, I have been able to assess what sort of contribution we have made and I have got a better understanding of why our party wanted to be represented in this Parliament. It was to defend the interests of the people and to speak out against supranationality. But it was also important, as I noted from the work done in the bureau, to see that Parliament kept to its terms of reference. In the first bureau meetings I attended, for example, I had to speak out against people wanting to overstep the mark and deal with the problem of European defence and arms, things that are not within Parliament's scope. But I also realized, quite quickly, that the problem was a difficult one and that we had to fight to get the real problems discussed, the major issues that concern all the people and not just the people of France. Questions linked to employment, to the crisis, to the defence of their genuine interests and to the problems of pollution. With all we have said in connexion with our major ecological disasters in France, particularly in Brittany, we are still the only ones to speak out loud and clear, the only ones to tell the truth about what will happen to the products of the south and to the people of many of our regions when the Community is enlarged for the second time. So it was important for us to get to Strasbourg and express the opinions of the men and women in our regions who are against this second enlargement.

It is the French Communists who pushed the proposals on defending human rights in Europe, a difficult subject to talk about in the Community. A proposal for an *ad hoc* committee on human rights in the Community has been meeting a lot of trouble over the last three months and has not managed to get to the Political Affairs Committee in spite of the fact that the latter is there to discuss such matters. The question of freedom and human rights is important for us. It shows how far people will go to discourage us, and reveals that, in the capitalist Community, believe it or not, human rights are violated every day and no-one wants to know about it. But we shall go on being active here.

Fighting the Davignon plan

Another important thing to tell you is that the best moments I have had in the European Parliament are those when we talked about events in France, the struggles of the miners in the Cévennes and of our iron and steel workers, all of them against the Davignon plan. I myself was spokesman for workers in the construction and ship-building industries in Provence-Côte d'Azur. Viscount Davignon, who found fame with his first plan to dismantle the iron and steel industry and cost shipbuilding

50 000 jobs, did not get my support. We do not agree that financial aid from the Community should be used to dismantle and restructure industry. We think that national measures should accompany the restructuring of the shipbuilding industry. So there is every point in following what goes on in the European Parliament, paying attention to what major projects there are and being, as we are in France, concerned with the interests of the people.

II — Women and the class struggle

► *Is there any solidarity between the women in the European Parliament? Are the usual political divisions there when the women members discuss the problem of women's status?*

— At all events, the class struggle is rife in Europe and women too are involved in it. Defending equal rights for women, defending new freedoms and preparing new rights for women means fighting the class war and not trying to pretend it does not exist. I have noticed that there have certainly been people in the European Parliament with good intentions, who have spoken of equal rights for women, but when, for example, the Dekker report on social affairs came out and we got to the nub of it all, to the causes, the very roots of discrimination, to the inequalities that hold women back and prevent them from fulfilling themselves, then an clever blanket was thrown over all the facts. The December parliamentary debate will certainly be a major one. The conclusions of the *ad hoc* committee will be discussed and you must not be surprised if political divisions emerge; whenever equal rights for women come up, we all look at what women do, how they are placed professionally speaking, and we find, alas, that the European unemployment problem, the seven million unemployed, have a big effect on women and on their right to work, their employment, their vocational training and their promotion. That is to say the situation affects their desire to be increasingly responsible, to shoulder responsibility. When you look at women's rights in the family, you have to look at national policies as they are organized and implemented, at the social legislation in the nine countries of the Community, and it is clear that there is still a lot of discrimination as regards wages (of both men and women), as regards the structures that enable women to go out to work easily and to shoulder this dual responsibility as they are anxious to do, to look after their families and to take a proper part in the social and economic life of their coun-

tries. You find this running through the whole problem of women's rights.

The consequences of enlargement for women in the present Community

And then there is the whole problem of health and birth control policy, major questions that modern women have to face. And here again we find the same choice—either help or hindrance.

The final question is the second enlargement of the Community. I shall be making a report to the *ad hoc* committee on the consequences of enlargement for women in the nine present countries of the Community. As I was saying just now about levelling social laws upwards—we have to understand the real situation of Spanish, Portuguese and Greek women as compared to ours. The big-time employers, who govern the international market, will say that these women are workers who can fill the same posts but cost 50% less. So social legislation must be borne in mind. But sometimes in our countries we hear things like: "But you ought to be satisfied with what you've got—look at women in other countries and you'll see...". This means that our solidarity with women in the three potential new member states is not something completely new. We gave them our support when the fascists were in power and we are still giving them our support today, in the difficult democratic period they are living through. What we say is that we are against the enlargement of poverty and, alas, this second enlargement of the Community will do nothing to help women. Quite the contrary. It will involve a redeployment of industry that has nothing to do with the interests, the rights or the equality of women. Quite the contrary.

► *Do you mean that enlargement of the Community should go slower?*

— What I mean is that we are fighting for the current negotiations to be stopped, once and for all, for, as we see it, nothing good will come of the second enlargement for our people.

► *But the problem isn't just to do with the workers and the women in these countries. There is also the problem of the immigrants in Europe. Have you thought about that, particularly the situation of the women amongst them, and about the problem of women in the Third World with which the Community has links?*

— There are many problems attached to protecting the women in the immigrant worker population. But first, I

think, we have to solve the problems of the Community as it is at present and then go on to a second enlargement afterwards. We are far from having solved these problems. When I see that, in Brussels, the last summit ended in Mrs Thatcher dictating her will, something that will no doubt involve the French taxpayer shelling out another four and a half thousand million. I think this is completely out of keeping with the respect there should be for the Community. It has nothing to do with making a proper contribution to our group of countries. There is a desire to dominate, to dictate among the British and it is completely unjustified and we refuse to countenance it.

Enlargement for whose benefit?

► *But wouldn't the risk be greater if we put enlargement off till later? Wouldn't this aggravate the problems you have just mentioned? Shouldn't we be trying to solve them now in the nine—and soon ten—member states?*

— No. The question is enlargement for whose benefit. This question is a class question. When you see who enlargement will benefit, it is obvious that the people don't enter into it. On the contrary, we have to be on our guard today as the desire to weaken emergent democracy in these various countries is considerable. If Portugal comes in, that will be the end of the Socialist revolution and nationalization. This is something the communists and Socialists from Spain, Greece and Portugal have realized. When you see, as I have seen in my own region, that big industrial companies like Pechiney chose to export capital some years ago, have invested in the countries that are candidates for enlargement and now find themselves in very comfortable positions from the point of view of their profit and from the point of view of exporting the wealth of these countries, which they pillage, we are by no means being irresponsible. Quite the contrary, we are being very reasonable and very responsible when we say we have to put a stop to the current negotiations for the second enlargement. Enlargement is counter to the interests of our people. In view of the enormous consequences it will have on my region, on the Mediterranean regions in general, for example, I can tell you that we, who base our efforts on what is in the national interest, feel that it would be a black day for the shipbuilding industries in my region. They will suffer when Greece comes in in 1981, as France has 411 vessels in its merchant navy and Greece has more than 5 000. So according to the plans Viscount Davignon has been making, we are going to modernize the Greek fleet. That is to

say we are going to harm the shipbuilding industry in my country. So the first problem is industry. The second is the produce of the Mediterranean region. Enlargement for my regions, for Provence, Côte d'Azur and Languedoc-Roussillon, will mean the end of our wine production. It will mean unfair competition with fruit and vegetables. It will ruin our olive production and mean considerable sacrifices for our small fishermen. These are things we cannot agree to, you see, for the basis of it all is unfair, untenable competition in these areas, particularly since, alas, today even before the second enlargement, no use is being made of the safeguard clauses in the agricultural sector. Not even the Council of Ministers is bothering to use the veto and our countries, our regions, are being sacrificed on the altar of profit. Well, that is a bad thing and that is what we are speaking out against today.

The structure of the European economy

► *Some people would say these were necessary changes in the structures and that they furthered the cause of the construction of Europe. Take the fisheries industry in my country, the UK, which is having to slow down. Well, the wine-growers in Languedoc are in much the same situation. Isn't this part and parcel of the changes in the structure of the European economy which are necessary to build the Community...?*

— Yes, but who are we building this Community for? For whose benefit? That is the question. I always come back to these essential, basic reasons. For whom? For whose benefit? Europe's policies of austerity are hindering our chances of finding an answer to one of the major problems the European Parliament will be talking about in the autumn. The problem of hunger in the world. There is no such thing as international solidarity. There is no respect for the choices the developing countries are making. We are living through an extraordinary period of revolutions and independence and these people will have no future unless they can achieve fast, sustained economic growth and unless we stop wasting what we produce. When I see in my country, in France, what we do with our fruit and vegetables and when I realize that there are thousands of underprivileged French children who don't get enough to eat, who don't get enough calories and who don't get all they need to grow properly, when I realize that millions of children across the world are dying of hunger, I think that if we in the Community had a good development aid policy, it would involve

reversing our present growth trend, which is one of austerity, and developing all our potential in all fields. When I talk about maintaining the maritime industries in my department and my region, it is because I think that tomorrow we shall need these vessels to transport the aid, this proof of international solidarity, because maritime transport will be important in the future.

III — Detente

► *How do you, as a Communist, hope to see relations between the Community and Comecon develop?*

— On the basis of mutual exchanges and on the basis of arrangements with individual countries that take account of the mutual interests of our various peoples.

► *How do you stand on detente and the Helsinki agreements?*

— As a woman and a Communist MEP I have very deep feelings on the matter. I am profoundly, intimately and passionately for peace and disarmament and for a major policy of detente in Europe and in the world. This is the profound, essential choice I have made, if you like, and it can only be achieved if the arms race is stopped. Naturally, the respect of international agreements and the limitation of the arms race means, on a very practical level, that plans to base American missiles in Europe have to be stopped and that SALT II and SALT III, which is to follow on from SALT II, have to be signed. It means that the French government's projects to build a neutron bomb have to be called to a halt. All this is counter to the interests of the people. It is counter to the interests of the men and the women of our countries. The people need peace. They need safety and they need a major policy of détente. They need the money to be spent on living and military expenditure to be cut. Obviously they need a policy of security that will ensure the safety of our national territory and here again, as you know, our position is very clear. We want proper national defence, genuine independence, a guarantee of sovereignty and we want all the policy decisions concerning this defence to be taken in Paris and nowhere else. Not in Bonn or Washington and not in Moscow either. These questions of defence involve our national sovereignty and the French people have to have complete control over it for their future.

► *So how do you see the recent trend towards coordinating and harmonizing the foreign policies of the nine member states? Do you see it as a threat to your aim of detente in Europe?*

— Absolutely. Harmonization and standardization of armaments is the time-honoured hypocritical way of dealing with European defence. Let us be very clear about this. Europe, the Nine, as I said when the problem was debated, is not an independent Europe. It is aligned. It has submitted, one might say, to the dictates of Carter. It was very clear when it came to Iran, Afghanistan, and the Olympic Games. Europe is aligned, it is not very independent.

So I think that, any external pressure apart, the countries should decide on what external policy they want and that there should also be different policies from those we have in these fields today. We should be moving towards cooperation, towards detente and towards peace and away from the cold war—as we saw again last year.

► *Is your country's sovereignty and, obviously, your idea of Europe, a Europe of independent countries and nations, factors that will make your participation in the European Parliament really useful? Aren't you in danger of being carried along by the system, which you don't seem to like much?*

— No. No I don't think so. We are in no danger. Not of being swept down the slope of European integration that we reject with all our might. Nor are we useless. I think that, now that one year is up, we can take stock of what we have done. We have made a useful contribution to the work of the European Parliament in that we have broadcast the voice of the people. That is why we are here. That is the difference, if you like, from the others and it's a slightly unusual kind of participation.

When we defend our people, we are also defending the people of the whole of Europe, for there is only one way of achieving sovereignty in the end, to our mind, and that is the way we have chosen to take. I don't believe there is a danger of being integrated at all. I am a member of the bureau, I am the only French vice-president of the Parliament and I can tell you, in all honesty, that my job is to defend my ideas. When you defend your ideas with truth and honesty, well, sometimes you get a surprise. Some people are interested and follow what you are saying when you are advocating an authentically national course of action, authentically based on national justice and on logic. For when you look at Europe as it is today, with its policies and its choices, I don't think we are the only ones to feel that there is still a long way to go. Far from it. This is what we are striving for. ○

Interview by
I. P.

DENMARK

Small country, big farmers

Industrial development requires ingenuity. Were it otherwise, many of today's technically advanced countries would not be so. Take the case of Scandinavia. These countries have neither strategic minerals nor cheap labour, but they, of all the developed nations, have the highest real standard of living, the best level of organization and social protection and the most thriving economies. How come? We took a look at Denmark, a small but highly industrialized country whose whole development process is based on the success of its agriculture.

Population and other basic data

Denmark (excluding Greenland) covers 43 000 km², about 1/3000th of the surface of the Earth, and has a population of 5 million (120 per km²), most of them in towns. There is a 7 400 km coastline and only one small border, of 68 km, with Germany. The mainland, Jutland, makes up slightly more than

half the area and there are 500 or so islands, 100 of which are inhabited.

All-important agriculture

Denmark's economy is based on agriculture. It is the origin, the means and the support of the country's industry, which was only set up and developed in the wake of the progress in agriculture. Bearing in mind the size of the country, the area under cultivation and the labour force employed, Danish agriculture is among the most efficient and best organized in the world. It covers 67% (2.9 million ha) of the national territory, employs 7% (350 000 people) of the population and produces three times what the domestic market requires. There are 124 000 farms, 12 500 of them of less than 5 ha. In 1977, the output of primary agricultural products was 146.1 million tonnes and the dairy and livestock sectors produced 5 138 m tonnes of milk, 68 m of eggs, 131 m of the best butter in Europe, 177 m of cheese, 263 m of

beef and veal, 785 m of pigmeat and 103 m tonnes of poultry.

The technical and trade structures of Danish agriculture

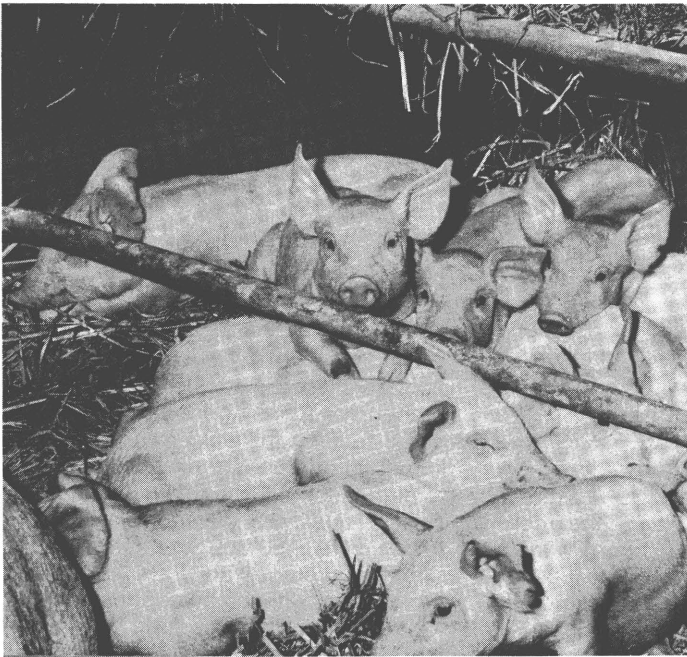
Productivity has doubled over the last 20 years thanks to the gradual, comprehensive phasing-in of new techniques, training for farmers and an agro-industrial and commercial policy geared to high income through a tight combination of quality and quantity. In 1975, there were 183 000 tractors (1.5 per farm on average) and 42 000 combine harvesters, with plant centres catering for farms without enough harvesting machinery of their own. It is worth noting that the lower level of mechanization in stock-farming does not affect the high yield of this sector.

Certain technical bodies like the Council for Agriculture provide services for farmers. The Council, which comprises experienced experts and farmers, provides technical services and advice and distributes information and adult education literature. One third of all farmers apparently use the Council's technical services on a fairly regular basis, one third do so infrequently and one third never approach it at all.



Photo Fra Lairs & Bo

From being primarily dairy producers, Danish farmers have increasingly become beef and veal exporters since the country joined the EEC



Danish bacon is one of the country's best-known exports (785 m tonnes of pigmeat exports as against 263 m of beef and veal)



Poultry is big business too, with exports not only to the EEC but also to the Third World

The Council has also set up a data bank on all the country's livestock in order to maintain and guarantee the high level and quality of Danish agricultural production. The technicians can thus give the breeders immediate advice on diet and sickness and the system enables the farmer to check, without the help of a vet, that the food and care dispensed to his animals are producing better growth and higher yields. And then there is scientific research, particularly R & D applied to the practical problems of Danish agriculture, such as the geographical, organizational and climatic conditions.

As Denmark produces three times as much as its domestic market requires, it has become a major exporter of agricultural products. So, although only 7% of the population works in farming itself, agro-industry and allied activities, e.g. promotion and marketing, in fact involve 25% of the population. Denmark is one of the world's biggest agricultural exporters. It sells 40% of its products outside the EEC, largely in the USA, Japan, the Middle East, Nigeria and Venezuela. Its biggest customers in the Community are the UK and Germany, while the Netherlands takes 10%. Note that Denmark's arrival in the EEC considerably reduced the country's exports of live animals and pushed up its meat exports. Outside the Community, for example, Denmark exported Dkr 112 million (US \$20 million) worth of goods to Nigeria, 20% of which was milk powder, pigmeat, bacon, butter and chicken.

The success of Danish farming can be largely attributed to producers' cooperatives, government incentives,



Photo Fra Lars & Bo

Danish industry is highly mechanized, but often on a machine-sharing basis through cooperatives and other collective arrangements

prices, increasing technical knowhow and, of course, the priority the Danes have always given to agriculture.

Cooperation with the Third World

Denmark is the perfect example of the part agricultural development can play in the creation and consolidation of a genuine industrial economy—small country, big agriculture, strong industry. Does this mean that co-operation and an exchange of experience between Denmark and the Third world would be possible or easier because of what they have in common, their size, the import-

ance of their agriculture and so on? John Schmidt, head of information at the Council for Agriculture, thinks it does. The environment and the policies are different. But coherent choices, greater means, better training and really remunerative prices—the best incentive—can be a very sound basis for fruitful co-operation between Denmark and the developing countries, Mr Schmidt felt.

Denmark's agricultural and industrial record and its ways and means of achieving success are food for thought in the Third World, where agriculture, the priority sector, is constantly losing out to hypothetical industrialization.

○ LUCIEN PAGNI

EUROBAROMETER

Public opinion in the Community

This Eurobarometer(1), the thirteenth, covers three major themes:

1. The public mood, meaning how Europeans are reacting to today's world: questions dealt with the life we lead, problems at work, the cost of living, living standards, the possibility of a world war and lastly basic attitudes towards society.

2. Public awareness of the Community and its problems: questions covered personal interest in Community affairs and the importance attached to them, the feeling of being or not being sufficiently well informed, exposure to the information media and, more specifically, to sources of information on European affairs.

3. Attitudes towards Europe: questions touched on the unification of Western Europe, Community membership and enlargement of the Community, with particular reference to the imminent accession of Greece.

The public mood

The first question—which has been asked on many occasions since 1973—attempted to establish whether contacts were satisfied or dissatisfied with the life they lead. The answers reveal wide differences from country to country. As in earlier polls, people in the "small" countries, particularly Denmark and the Netherlands, are more satisfied with life than people in the "big" countries. The French and the Italians are the least satisfied, but the results showed no significant change on previous surveys.

Things at work are going "fairly well" on average for most Europeans (54%) but "rather badly" for just under a fifth (17%). Here again the Danes and the Dutch are the most satisfied (eight in ten answered "fairly well" and less than 10% said "rather badly"). Similarly the French are the least satisfied ("fairly well": 41% and "rather badly": 34%).

Money problems—how to make both ends meet—seem to loom larger than problems at work; this makes sense since the preceding question only affected contacts in active employment,

who would be younger and less exposed to the hardships of the crisis. More than half (54%) were having money problems; 9% claimed that they could not make both ends meet and 45% that they just about managed. It was the Irish (71%) and—once again—the French (64%) who most frequently expressed concern on this issue.

There is a strong correlation between these three questions and family income. The next question—on general living standards—raised more complex problems. This time the Irish are the most optimistic: 53% of them feel that general living standards in Ireland are improving. The Danes are the most pessimistic: 66% of them think that general living standards in Denmark are declining.

Although income was a reliable "predictor" of answers to the previous question, it is clear in this case that in certain countries, notably France, assessment of living standards is determined less by income than by "cognitive mobilization" or "leadership", meaning the propensity to discuss politics and influence others(2).

This particular determinant of concern and dissatisfaction on the part of a substantial proportion of the French population reappears in answer to a question, already asked in 1971 and 1977, on the likelihood of a third world war.

On average, more than a third (34%) of Europeans believe that there is a big risk of war within the next ten years and more than half (51%) that there is a slight risk. The optimists are the British (39%) and the French (42%); the pessimists are the Germans, the Danes, the Dutch and the Luxemburgers (60 to 70%).

Far more people are worried now than in the autumn of 1977. Only 14% of those interviewed then considered war highly probable within the next ten years.

Women tend to fear war more than men, but the main link is with aspects of the public mood, especially dissatisfaction with the life we lead.

The last question—which is asked in every Eurobarometer for analytical purposes—was designed to gauge basic attitudes to society. There were three possible answers: (i) "The entire way our society is organized must be radically changed by revolutionary action"; (ii) "Our society must be gradually improved by reforms" and (iii) "Our present society must be valiantly defended against all subversive forces". The answers were phrased in clear-cut terms to elicit an unequivocal response.

For the Community as a whole the option most frequently chosen was "reform" (six in ten). The "revolutionaries" are very much in a minority (less than one in ten). This option peaked in Italy and France in the autumn of 1976 and the spring of 1977. It has waned since then, the decline being more noticeable in Italy than in France. The proportion of those favouring the third option, who might be described as "reactionaries" in the semantic sense, has been in or around three in ten for the last four years. It was pushed to 54% in Germany in the winter of 1977/78 by anti-terrorist feeling but has since fallen back to 43%, the 1976 level (which was double the 1970 figure).

Analysis of these facts and figures on various aspects of the general mood of Europeans will obviously have to be taken further for the Community as a whole and for each country separately.

But it seems worthwhile to present them now, as a contribution to the development of what might be termed "socio-economic meteorology", the primary aim of which would be to gain a deeper insight into phenomena, to explain them and ultimately perhaps to predict them(3).

Public awareness

The comparatively poor turnout at the European elections in a number of countries has re-opened arguments about the lack of popular interest in Community affairs and the scarcity of information on the subject.

(1) Source: Eurobarometers no 13, June 1980.

(2) The terms "predictor" or "determinant" are employed in the way they are normally used in opinion surveys: they designate the "explanatory" variable which is revealed by analysis to be linked by a covariation relationship to the "explained" variable. There is not necessarily a causality relationship.

(3) Several of the questions discussed here were asked on its own account by the Gallup International Research Institutes (London) group, which has kindly made the relevant data available to us.

A set of questions were asked to throw some light on this.

First came two questions designed to measure involvement with the Community: the personal interest taken in European affairs and the importance attached to them.

There was no significant change since the questions were first asked. On average, less than a quarter of those interviewed claimed to be "very interested" in the problems of the European Community. But almost 80% felt that these problems were "very important" (32%) or "important" (47%). There is therefore an appreciable gap between awareness of what is at stake and personal interest in following developments.

The analysis shows that on average only half of those who believed Community affairs to be "very important" took a keen personal interest.

The proportion of the population which combines awareness of the importance of Community affairs and a keen interest in them ranges from 25% in Luxembourg to only 7% in Belgium.

Given some idea of the importance of European affairs for the future of their own country, most felt that they were not sufficiently well informed (65%). But a comparable question on major national and international problems, asked earlier in the interview, revealed that almost as many people (58%) felt the same way about information on non-European issues.

Subject to further scrutiny then, it would appear that, in general, Europeans do not have the impression of being less well informed on European than on other major problems. Objectively they may be, but that is a supposition which would have to be confirmed by other research.

The crossing of answers to these two questions enables us to ascertain what might be termed the "yield of European information", meaning the proportion of interviewees claiming to be well informed in general who also claim to be well informed on European affairs. The proportion ranges from more than seven in ten in the Netherlands—where the feeling of being well informed is prevalent in both instances—to less than one in two in the United Kingdom—where information on Europe is judged to be particularly inadequate.

Without wishing to vie with in-depth audience research (television, radio and the press) conducted in the nine countries, this survey included a few questions on the intensity of exposure to the information media. The opening question made no reference whatsoever to Europe.

As might be expected, television leads the field: an average of 60% of those interviewed said that they watched the news every day, as against 47% who listened to radio news every day and 41% who kept up with the political news in the daily papers.

The three information media supplement and consolidate each other. Denmark, for example, comes out on top or almost on top in all three instances. Italy does less well than the other countries in the matter of newspaper reading, but is in practically the same position as Denmark when it comes to television.

The analyses show that, although there are major differences between the nine countries, these lie in the degree of exposure to the various media, rather than their relative importance.

Within the individual countries, the most significant difference is that which relates degree of exposure to political news in the daily papers to the degree of "cognitive mobilization" (or "leadership") revealed by respondents: opinion leaders are only a little more exposed to television and radio than non-leaders, but they are much more exposed to the press.

What is the public's main source of information on European affairs? Television is out in front (74%), followed by the daily papers (48%), with radio trailing behind (32%). Here again the only difference from country to country is one of degree; national patterns are very similar.

Between individuals the main discriminatory variable is again leadership rating. The greater the individual's "cognitive mobilization" the more likely he is to draw on several sources of information. Television is still the main source, with no great difference between leaders and non-leaders, but the daily papers are cited twice as often by those with the highest leadership ratings.

Opinions on the Community

Two questions are asked regularly to assess changing attitudes towards Europe. One gauges support for the unification of Europe, the other the value of membership of the European Community—the "Common Market" to the man-in-the-street.

Support for the unification of Europe is still riding high. In the Community as a whole 73% were "very much for" or "to some extent for", the figure for the original Six going up to 78%. But these results represent a slight decline compared with the previous six months:

—8 percentage points in Ireland, —7 in Denmark, and —6 in the Netherlands.

This decline seems, by and large, to be confined to the least committed section of the public, meaning those who show the most affective reaction to the socio-political and socio-economic situation as reflected by the media.

The public's assessment of the value of Community membership remains very positive in the Netherlands, Italy, and Germany. It is also positive, but to a lesser degree, in Belgium, Ireland and France. In Denmark, the view that the Common Market is "a good thing" is just slightly ahead of the opposite view (33% as against 29%), while in the United Kingdom the gap between the "pro-Marketees" and the "anti-Marketees" is widening (23% as against 49%).

The decline in positive answers since the last survey is most noticeable in France (—7 points) and in Denmark, Ireland and the United Kingdom (—6 points). Opinion leaders seem to be more sensitive to this essentially utilitarian assessment than non-leaders, perhaps because respondents need to be reasonably au fait with developments to give a meaningful, off-the-cuff answer.

The Community is expanding: on 1 January 1981 Greece will join the Nine. Spain and Portugal will probably follow within the next few years. This latest survey pursues a study of reactions to this development within the Community, pending extension of our research to the new countries themselves.

This second enlargement has not made much impact: almost half (46%) of those questioned were unable to name even one of the three countries of southern Europe who are seeking to join the Community. Those who did answer mentioned Spain more often than the others, probably because more Community nationals have visited Spain than either Greece or Portugal over the last ten or fifteen years.

Support for Greek membership is strongest in Italy. The British and the French are equally unenthusiastic. But, in the Community as a whole, the trend among those who answered one way or another is more favourable to enlargement than it was three and a half years ago. This is particularly true in the case of opinion leaders.

These then are the main features of the information gleaned from the thirtieth in this series of six-monthly surveys which has tried since 1973 to hold a mirror up to the people of the Nine and show them how they are doing within the European Community. ○

THE CONVENTION AT WORK

Special ACP Council of Ministers, Montego Bay

Consolidate and extend ACP cooperation

A special ministerial conference on ACP cooperation was held in Montego Bay, Jamaica on 7-10 July. It was the first time since the ACP group was formed that such a high-level meeting had been organized on this subject. The meeting, which was opened by Jamaican PM Michael Manley, was preceded by two preparatory meetings, one on transport and communications in Bangui in June 1978 and one on trade in Nairobi in November 1979. Many regional organizations sent observers. The Commission was represented by a delegation led by Klaus Meyer, head of the development directorate.

"If the ACP is to retain its dynamism and not to become moribund, we must recognize that the justification for our existence cannot depend solely on the need to negotiate with Europe every five years—already there are discernable limits to the progress we can make in this area." This, taken from the speech which J.P. Patterson, Jamaica's deputy PM, made right at the start of the meeting, became the leitmotif of the discussions. It provided a clear statement of the problem from the outset. A unit as large as the 60-strong ACP group, with members from the far corners of the earth, needs more than economic links with Europe to bind it together. And what better than horizontal cooperation to strengthen the group's cohesion *vis-à-vis* its European partners and lend it greater weight and therefore greater power at the negotiating table?

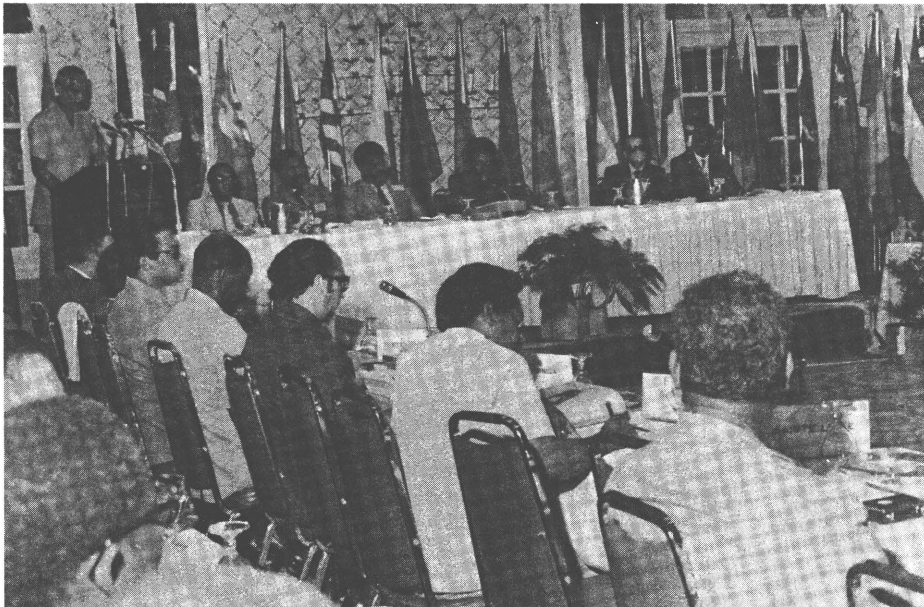
The Georgetown Agreement (1975) and the Suva Declaration (1977) already recognized this need and the ACP ministers at Fiji even adopted an action programme which stressed the main areas of cooperation, namely transport and communications, trade, the creation of ACP firms, production, development financing, technology, culture, science and education.

But the ACP group is not alone in advocating closer cooperation between developing countries. This is part of a general trend throughout the south, where the countries have committed themselves to a programme of collective self-sufficiency and economic cooperation. There are many reasons for this—the disappointing results of the last two development decades, the failure of the North-South Dialogue and all other major international conferences

(particularly UNCTAD V and UNIDO III) to do with the new international economic order. As Jamaican PM Michael Manley said in his opening speech: "for all this incredible effort over the space of six years, virtually all we have to show is a veritable mountain of documents and, since last week, an agreement of a limited nature, for the establishment of a Common Fund."

The ACP countries belong to the Group of 77 but, with their secretariat, they are better structured. And the ACP countries, as was so often pointed out at Montego Bay, can help advance the self-sufficiency programme. So why has nothing been done about implementing the action programme in the three years since the Suva Declaration? Because, as we should not allow ourselves to forget, the ACP group is entirely composed of developing countries and, irrespective of their political motivations, they have to look for the means of financing their projects first. And they have also had to run studies to clarify the precise aims of cooperation.

This was the point of the Bangui conference on transport and communications in June 1978 (See *Courier* No 51). Obviously this was the subject to deal with first as, without fast, reliable transport, there can be no trade. Two years ago, the ACP experts drafted a set of resolutions, mainly echoing the targets of the UN development decade's transport and communications programme. They were then able to analyse the barriers to the development of trade and identify what projects they could get implemented fairly quickly. This was the aim of the Nairobi conference on trade (*Courier* No 59) at the end of last year. One last study completed the preliminary work for implementation of the first parts of the Suva Declaration, i.e. a report by UN experts on the creation of an ACP trade and investment bank.



The Prime Minister of Jamaica, Michael Manley (left) making his opening speech

Also in yellow pages

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Trade

Such thorough groundwork might suggest that the idea of cooperation within the ACP group is something quite new and that there is all the way to go. But in fact, as more than one delegate pointed out in Jamaica: "We are not starting from scratch." There is already a fairly flourishing tradition of trade and cooperation in the group and Nigeria's planning minister, Mrs Adenike Oyagbola, summed it up as follows. "Among developing countries of Africa, Asia, Latin America and the Middle East there are altogether 54 regional groupings. In Africa alone, there are 21 regional organizations for 43 countries of which West Africa alone has nine and Central Africa has two. The Pacific does not know of the proliferation of groups as in other areas, but those of them that are members of the ACP are in two regional groups that also cover Asia and some Ocean Island states."

Not all these groupings work well, obviously. Some are paralysed by political disagreement and others only struggle along as sporadic financing becomes available. But they all share a desire for unity and many of them have positive effects on the economy of the countries they involve. Mrs Oyagbola said that the creation of ECOWAS and the introduction of a clearing house for payments had largely contributed to the increase in the volume of trade in West Africa (it went from 3% to 15% of total ECOWAS exports).

Many of these regional organizations, the CEAO, CARICOM and so on sent representatives to Montego Bay and took part in the conferences as observers and it is they which will constitute the backbone of cooperation within the ACP group. Obviously, as Satcam Boolell (Mauritian minister of agriculture, natural resources and the environment) said: "It is not a question of Mauritius trading with Papua-New Guinea, but it is wrong for ACP countries in our part of the world to look to the UK for sugar supplies when we have a surplus. The same goes for textiles, tea and more. We used to import our meat from Madagascar, but now we have to go further and pay more. So regional cooperation is a must. All the governments can do is take policy decisions and act as catalysts, for trade itself is in the hands of private operators and these private operators have to know and meet each other. But first the secretariat has to have a data bank of all the products available in the ACP group". Satcam Boolell's wish is on way to being granted, as one of the resolutions adopted in Montego Bay in fact deals with the establishment of an ACP commercial data bank.

Financing exports

President Eyadema of Togo talked about trade information when Lomé II was signed in Togo on 31 October

Other issues before the Council

Discussions at Montego Bay centred on cooperation within the ACP group. However, there was still room on the agenda for a number of issues that are the concern of major international conferences today.

For example, the Council informally discussed the North-South Dialogue, with a view to the reopening of the global negotiations on the new international economic order and before the next extraordinary UN session to finalize and adopt a new development strategy. Montego Bay was also the opportunity for the ministers to reassert their solidarity with the whole of the Group of 77 and to insist on the need to avoid any contradictions between the ACP and the 77 programmes.

The Council pointed out that the criteria the IMF used to govern its intervention in projects and the way it assessed them no longer tallied with the needs and objectives of the developing countries and ought to be changed. It also stressed the need for the developed countries to make the effort to reach or even exceed the official development aid target of 0.7% of GNP.

It emphasized the importance of the commodity trade to the ACP economies. The lack of progress on renewing the international cocoa agreement was regretted and the Chairman of the ACP Council sent a letter to his EEC counterpart inviting "the Community to shoulder its responsibilities fully and take the steps that would enable a new international cocoa agreement to be concluded".

The ACP ministers also discussed the grave problem of hunger in the world. They stressed that intra-ACP cooperation would pay immediate attention to food production and trade and invited the Committee of Ambassadors and the secretariat to determine the food requirements of the ACP countries and the production capacities of any of them that had a surplus.

Lastly, delegates discussed late contributions to the secretariat budget. The problem had become less acute since the previous meeting in Nairobi as many of the defaulters had now paid their dues. However, the Council still adopted a scale of sanctions against countries which failed to make their contributions. ○

1979. As he saw it, the best way of organizing an exchange of information on production and potential markets in the ACP group was to set up an ACP chamber of commerce and the idea was taken up soon afterwards at the Nairobi conference on trade and adopted by the Montego Bay Council—which also accepted Togo's offer of hosting the constituent meeting of a federation of ACP chambers of commerce.

But a lack of information is not the only impediment to trade within the ACP group. As one of the delegates pointed out: "We know Jamaica has sugar, but it is on the cards that, if we said we wanted it, the suppliers wouldn't have confidence in us. Yet they would be willing to relay the sugar to a British intermediary who would then take a commission for sending it back to us. What is wanted is some sort of financial institution which could guarantee that the suppliers got paid for what they delivered."

The plan to set up an ACP trade and investment bank is a fairly long-standing one, dating from 1975, and it has been on the agenda of many ministerial meetings since then. And studies on the subject, most recently by a group of experts from the UN, have concluded that such a bank is both an essential and a viable proposition. All the delegates in Montego Bay felt that

there was a vacuum left by the regional and international financial organizations, namely that there were no arrangements for export financing. But many delegates were reticent about setting up another institution (which would cost money), at all events before it had been demonstrated that existing organizations could not do the job. Others thought it was essential for additional studies to be run, but they all agreed that there was no question of setting up the bank in the immediate future and the conference did no more than reiterate that it was desirable to create an ACP financial institution to help achieve self-sufficiency and invite the Committee of Ambassadors and the secretariat to call a meeting of national experts and trade and banking organizations in the ACP group to investigate the matter in depth so that a final decision could be taken.

Lomé and ACP cooperation

The step the ACP ministers took is, obviously, a very prudent one as, before taking any sort of initiative, the Council wants to be sure it is really essential. This attitude led various delegates to a conclusion that amounted to self-criticism: "Some provisions of the Lomé Convention could encourage trade within the ACP group, but the members have made practically no use



The conference in full session

of them". This was a reference to the provisions relating to the accumulation of processing and cumulative treatment which enable ACP products to comply with the rules of origin if the raw materials used in manufacture come from one or more of the ACP countries. J.A. Tyndall, Guyana's minister for trade and consumer protection, thought the ACP secretariat could identify all the cases where such cooperation was possible.

The outgoing chairman of the Committee of Ambassadors, Raymond Chasle, was bothered by the many handicaps that could prevent the least-developed, landlocked and island countries from reaping the full benefits of ACP cooperation and he suggested they should explore sub-regional possibilities of using the system of accumulation for exports to the Community.

Lomé II could also considerably help ACP trade by means of the regional fund (which had doubled from one Convention to the next, from 10% to 15% of the amount of the EDF). EEC development director Klaus Meyer, who represented the Commission at Montego Bay, thought that the data collected during the programming missions showed that ACP regional projects tended to concentrate on developing the transport sector. But transport development also involved harmonizing the administrative regulations that prevented the free movement of persons and goods. As Klaus Meyer saw it, it would be a pity to build a modern international highway and then have the traffic on it held up by endless controls. This was why he suggested linking road

building to a lowering of taxes and the removal of administrative barriers.

The 15 resolutions adopted at Montego Bay included one on the harmonization of laws on and the removal of barriers to the free movement of persons and goods. But the ACP countries have no illusions. They are well aware that it will take more than a ministerial conference to solve what outgoing president Noel Levi called "the myriad of complex problems facing us. When we try to correct the harmful effects of our past lack of development, we come up against a set of problems which are also the result of that same underdevelopment. Our task is nothing less than to dam the flow of past history, and to get development moving along new channels. But to do so we need finance, we need know-how, we need good communications and highly skilled manpower."

A conference of the kind just held in Jamaica can bring a new lease of life to the work in hand and it can reaffirm the political will to reduce dependence on the developed countries. But it can also yield practical solutions that can be applied quickly (starting with those that the Lomé Convention suggests) and this is the aim of all ACP meetings. P.J. Patterson, deputy PM of Jamaica, put it this way: "Over the centuries we have been separated by Europe. It is a happy twist of history that our need to negotiate with and relate to Europe provides us with a unique opportunity for forging a new and vibrant cooperation." ○

AMADOU TRAORE

PROGRAMMING THE 5th EDF

Programming missions from the Community have already been out to more than half the ACP countries to draw up indicative programmes for the 5th EDF. Klaus Meyer, head of the development directorate, recently travelled to Guyana, Surinam, and Zaire and his deputies, Messrs Foley and Hauswirth, went to Zambia and to Tonga, Tuvalu, Fiji and Samoa respectively.

Zambia

The local delegation was led by U.G.Mwila minister of state for the national development planning commission. Zambia's indicative programme allocates 56% of funds to rural development, 4% to microprojects, 21% to economic and social infrastructure, 2% to geological research, 7% to training and technical assistance and 5% to support activities like studies, trade promotion and so on. This leaves a 5% reserve. Zambia also intends applying for EIB aid, particularly for mining projects and to develop small and medium-sized businesses.

Samoa

Vaovasamanaia Filipo, the finance minister, led the Samoan delegation. This country's indicative programme will be channelling 70% of funds into HEP, 15% into agriculture and 5% into training, leaving a reserve of 10%. There are also plans to apply for EIB aid with HEP development projects and for credit for the development bank.

Tuvalu

M.A.McDonald, secretary to the Prime Minister, led Tuvalu's delegation. The indicative programme is divided among three sectors—infrastructure gets 65% of funds and microprojects 20%, leaving a reserve of 15%.

Fiji

Finance minister Charles Walker headed the island's delegation. Priority in Fiji goes to road and social infrastructure, which gets 52% of the funds. Then come agriculture and the processing of agricultural products, with 25%, technical assistance, training and studies, with 8%, trade promotion and aid for cooperatives, with 4% and the development of alternative sources of energy, with 2%. This leaves a reserve fund of 10%. It is also intended to ask for EIB aid to develop industry, agro-industry energy and so on.

Tonga

Crown Prince Tupouto'a was at the head of Tonga's delegation. The indicative programme allocates 85% to the

development of port infrastructure, and leaves a reserve fund of 15%. The EIB will probably be asked to help with tourist and agro-industrial projects.

Guyana

Desmond Hoyte, minister for economic development and cooperatives, led the Guyanan delegation. Priority here goes to agriculture and rural development, which get 45% of the indicative programme. 9% goes to fisheries, 15% to new sources of energy, 14% to education and training, 12% to repair the sewage and water supply systems and 5% for trade promotion, studies microprojects and a reserve fund.

It is also planned to apply for EIB help with the processing of agricultural products and fisheries and with the development of HEP resources.

Surinam

Development Minister Herman Adhin led his country's delegation. Energy is in the lead here, with 69% of the amount of the indicative programme. It is followed by agriculture (11%), transport infrastructure (10%), education (3%) and a reserve fund of 7%.

The EIB may be asked to help with energy projects or with feasibility studies in the mining sector.

Zaire

Lengema Dulia Yubasa Makanga secretary of state for international cooperation, was head of this country's delegation. The indicative programme allocates 40% to communications infrastructure, 30% to agricultural and rural development, 6% to training, 5% to energy, 5% to social infrastructure and 8% to trade and industrial promotion, technical assistance and so on, leaving a 6% reserve fund.

The EIB has noted that the national authorities will be applying for a global loan for the promotion of small and medium-sized businesses, for development projects to do with exploiting the Gecamines mineral resources etc. ○

IVth EDF

After the EDF committee had given a favourable opinion at its 147th and 148th meetings the Commission of the European Communities adopted the financing decisions set out below.

These decisions bring total commitments under the fourth EDF to 2 568 059 000 EUA.

Uganda

Kampala—Masaka road
Loan on special terms: 4 715 000 EUA

Grant: 285 000 EUA
Total 5 000 000 EUA

This project involves repairs to the most deteriorated road sections (62 km) of the asphalted road from Kampala to Masaka (137 km), which forms part of the main trunk route crossing the country from Kenya to the Rwanda border. It will provide communications with the neighbouring countries.

Upper Volta

Stock-farming in the Hauts Bassins and Comoë ORD areas.

Grant: 1 961 000 EUA

This Community aid is to be used for improving traditional stock-farming in the Hauts Bassins and Comoë ORD (regional development body) areas and for promoting the use of draft animals in arable farming.

The project involves:

- setting up watering points,
- improving animal health standards,
- supplying equipment and animals suited to local requirements.

Sudan

University of Juba (Phase II)

Grant: 7 000 000 EUA

This project is the second phase in the construction of the University of Juba; the first phase was financed in 1977. It consists of developing a new campus and building new premises (approximately 9 000 m²), along with equipment and infrastructure works for this campus. The university's activities are focussed on meeting specific requirements.

New Hebrides

Project to develop stock-farming in the Melanesian milieu.

Grant: 900 000 EUA

The purpose of the project is to step up the development of stock-farming in the Melanesian milieu which got under way in 1972.

The Community-funded operation is to supply the agricultural equipment needed to set up new holdings, means of transport and freezers for the butchers' shops.

Tuvalu

Funafuti power plant
Grant: 400 000 EUA

The aim is to upgrade and extend the thermal power plant in Funafuti, the capital of Tuvalu.

The project involves supplying four diesel generating units, two transformers and a water-cooling system.

Kenya

Rural industrial development project
Loan on special terms: 800 000 EUA

The purpose of this project is to back the Kenyan government's plan to develop small-scale industry in rural areas.

It has two components:

- improvements to workshop premises for small and medium-sized firms which currently operate under unsatisfactory conditions,
- loan financing to meet tenants' needs for modern equipment of all kinds.

Guinea (Conakry)

Multi-annual training programme
Grant: 50 000 EUA

Guinea has already received a first instalment of 50 000 EUA for its training programme; the second instalment, with which this project is concerned, will involve the funding of short training courses in a number of specialized sectors.

Madagascar

Water supplies in the south
Grant: 9 120 000 EUA

The provision of water supplies for the semi-arid region situated in the extreme south of Madagascar is one of the schemes to improve the living conditions of the inhabitants of the most disadvantaged areas of the country. Community money will make it possible to construct tanks, sink wells, lay pipes and install standpipes in populated areas.

Ghana

Excess expenditure on the Weija irrigation pilot project
Grant: 1 675 000 EUA

In 1977 the Commission approved a financing proposal for the development

of a pilot irrigation scheme at Weija (25 km from Accra), involving 200 hectares of irrigated land for vegetable growing. The purpose of this contribution is to cover the increase in prices.

Ghana

Rural rehabilitation in conjunction with the development of the rural bank scheme

Grant: 2 521 000 EUA

The project involves assistance to the Ghana government's rural bank scheme in order to help about 20 000 farmers and fishermen and to increase the viability of the rural banks.

The project covers the provision of basic farm and fishing inputs and technical assistance to the Bank of Ghana.

St Lucia

Roseau agricultural resettlement and diversification

Grant: 860 000 EUA

The project aims at developing 1 800 acres of land that was formerly an estate into 175 smallholdings of between 5 and 15 acres. The crops to be grown will mean increased exports to the European market.

The EDF contribution will enable the first three years of the programme to be carried out.

Togo

Adélé ranch

Grant: 1 394 000 EUA

Loan on special terms: 1 394 000 EUA

EDF financing is to be used to set up a cattle-farming centre, with an initial herd of 2 200 cows and 80 bulls. The main aim is to produce draught oxen, with the surplus being sold off for meat locally.

Ethiopia

Geothermal exploration (supplementary financing)

Grant: 4 680 000 EUA

This second contribution is to cover the extra project costs.

The purpose of the project is to prove the feasibility of using geothermal energy resources to produce electricity. It also covers:

- deep drilling;
- training of personnel;
- a feasibility study on setting up a 30 MW power station.

Caribbean Development Bank

Regional project—sea transport (WISCO)

Grant: 400 000 EUA

Loan on special terms: 5 900 000 EUA

This projects aims to improve the Caribbean countries' sea transport services by developing a regular liner service under the ownership of the West Indies Shipping Corporation (WISCO). The Community contribution will cover the purchase of:

- two cargo vessels;
- two containers;
- port handling equipment and technical assistance and training.

Mauritius

Housing project

Grant: 160 000 EUA

Loan on special terms: 3 040 000 EUA

The purpose of this project is to give financial support to a sound housing policy with three objectives: "individual affordability", "national affordability" and "replicability".

Guinea-Bissau

Construction and equipping of two schools

This is the amended version of the building project for two schools at Farim and Catio, which has been extended to the construction of seven schools in seven different places. This change of plan was brought about by differences of opinion within the government of the country, split between the desire to have two schools with some prestige and the need for a number of schools to cope with the increase in primary pupils; the second solution seems to have prevailed. ○

EIB

Loan for modernizing alumina works in Guinea

The European Investment Bank has made a loan, under the first Lomé Convention, for the equivalent of 4.4 million units of account as a contribution towards modernizing an alumina works at Fria-Kimbo, 150 km north of Conakry, in Guinea.

The loan, which constitutes the EIB's maiden operation in this country, has been granted to FRIGUIA, a semi-public company whose main shareholder is the state. The funds have been advanced for 10 years at 8%, after

deducting an interest subsidy financed from the European Development Fund.

The project backed by the EIB seeks to step up productivity at the works installed on the site of bauxite deposits where proven reserves are substantial. The plant, constructed 20 years ago, boasted an initial capacity of 480 000 tonnes of alumina a year, although this has since been raised to a nominal maximum of 700 000 t.p.a.

The works, costed at a total of around 23.6 million EUA and scheduled for completion by the end of 1982, will serve, firstly, to ensure maximum utilisation of the plant's nominal capacity and, secondly, to reduce the risks of pollution, chiefly by constructing a weir to retain inert residual matter. Provision has also been made for improving storage and dispatching facilities, mainly at the port of Conakry, and for technical modifications (furnaces, filters, etc.) designed to prune production costs. The project may well form the preliminary phase of future extension work currently being studied.

The Caisse Centrale de Coopération Economique, Paris, is cofinancing the venture.

Loan for construction of a flour mill in the Ivory Coast

Under the terms of the first Lomé Convention, the European Investment Bank has lent the equivalent of 3 million units of account towards construction of a flour mill, together with silos and loading and off-loading installations, at the port of San Pedro in the Ivory Coast.

The loan (for 12 years at 8%, after deduction of a subsidy financed from the European Development Fund) is to Société Moulin du Sud-Ouest (MSO) whose shareholders include two private Ivory Coast companies, a French company, international institutions—the International Finance Corporation (IFC) and the SIFIDA Investment Company—and a local development bank, COFINCI.

The San Pedro flour mill (total investment cost estimated at around 11 million EUA) should achieve maximum output in 1985 when it is expected to produce around 40 000 tonnes of flour and some 12 000 tonnes of bran; the bulk of production will go to supply the western part of the country, but some may be exported. The project supports government efforts to promote industrial development in the west region and should lead to some 60 jobs. ○

Loan for upgrading a hydro-electric power station in Fiji

Under the terms of the first Lomé Convention the EIB has lent the equiva-

lent of 11.5 million units of account for development of hydroelectric resources on the island of Viti Levu, the largest and most heavily populated of the Fijian Islands.

The loan has been made to the Fiji Electricity Authority for a period of 15 years at 8%, after deduction of an interest subsidy financed from European Development Fund resources.

The project centres on doubling the impounding capacity of the Monasavu dam, constructing a tunnel to divert waters from nearby catchment areas into the Monasavu Reservoir and uprating Wailoa power station from 40 MW to 80 MW by installing two additional generator sets. The total investment cost involved is put at some 38 million EUA.

The bank has already granted a loan for 12.5 million EUA, back in 1978, towards construction of Wailoa power station and the Monasavu dam, both of which are nearing completion. Once the extension project is finished, the scheme will cater for 95% of Viti Levu Island's electricity demand, hitherto satisfied by oil-fired thermal power stations.

The World Bank and the Commonwealth Development Corporation (CDC) are also helping to finance this project.



ACP EMBASSIES

Four new ambassadors, from the Central African Republic, Congo, Grenada and Jamaica, have just presented their credentials to the Presidents of the Council and the Commission of the European Communities.

Central African Republic

Jean-Louis Guy Psimhis replaces Nestor Kombot-Naguémon as the CAR representative in Brussels. 44-year old Mr Psimhis, a family man with five children, is a teacher and a graduate of the University Institute of Higher Studies in Geneva.

He left a career in teaching to enter the diplomatic service, representing his country in Paris in 1967-70 and in Brussels in 1970-71. From 1971 to 1976, he was in successive charge of the ministries of the interior, planning, international co-operation and statistics and national education and educational reform, but returned to the diplomatic world in 1977 as ambassador to India, a post he held until being appointed minister for education, youth and sport in 1979.

Congo

Congo's new ambassador, Alfred Raoul, is well known in Africa, as he



From top to bottom ambassador Parris of Jamaica, ambassador Psimhis of the CAR, ambassador Raoul of the Congo and ambassador Bullen of Grenada

has held many top posts in this country, and he is a familiar face in Brussels too, as he represented his country there in 1974-1977.

Mr Raoul, a 42-year old father of one, was prime minister twice, head of state once, vice-president once and minister in a number of times between 1968 and 1971 and he began a diplomatic career in 1974 when he was appointed ambassador to Brussels. He was then sent to Cairo in 1977.

Grenada

George Bullen, Grenada's first ambassador to the EEC, is a familiar face in ACP circles, having had a two-year spell in the ACP secretariat as an expert in financial and technical co-operation. Mr Bullen, who is now 41, qualified in economics at the University of the West Indies and in management at the Central London Polytechnic. Most of his career has been spent in the Commonwealth Development Corporation, (1964-74) where he held a number of top jobs. He then went to the Caribbean Investment Corporation as president /managing director, where he stayed until 1978, when he was appointed to the ACP secretariat in Brussels. The new ambassador is married and has two children.

Jamaica

Since Botswana's Mrs Mathé left Brussels, there have been no women among the ACP ambassadors. But things have now changed with the arrival of Carmen Yvonne Parris, who takes over from Donald Rainford as Jamaican ambassador to Brussels. Miss Parris holds a first degree in sociology and a master's in anthropology from the University of Toronto (Canada), a diploma in public administration from the University of Oxford and a diploma in international relations from the University of Colombia (New York). From 1951 to 1963, Miss Parris worked in a number of ministerial departments before going into the ministry for foreign affairs, where she held various top posts. In 1975, she was appointed ambassador to France and Switzerland and permanent representative to UNESCO. ○

STABEX

Advance of 18 million EUA to Senegal to offset losses of export earnings in 1980

Owing to a particularly severe drought, Senegal had a very poor groundnut harvest for the 1979/80 marketing year with the result that there

was a considerable drop in its groundnut oil exports during the first half of this year. Harvest of groundnuts for oil was almost 40% smaller than in the preceding year. Senegal has therefore requested the Commission to grant an advance, under Stabex, in accordance with the provisions relating to this type of operation under Lomé I and Lomé II.

In line with the spirit of EEC-ACP co-operation, the Commission has decided, in agreement with the member states, to grant an advance of 18 million EUA to Senegal, and this sum will subsequently be charged against the amount earmarked for Stabex by the second Lomé Convention. ○

ACP GROUP

Ambassador Dadzie on a visit to Brussels

The ACP committee of ambassadors held a special meeting on 28 July for discussions with ambassador K.K.S. Dadzie, the UN's director-general for development and international economic co-operation.

The exchange of views was organized by the ACP group under the chairmanship of ambassador Raymond Chasle of Mauritius, and was held just after the special session of the ACP Council of Ministers on intra-ACP co-operation in Montego Bay, and on the eve of the special session of the UN's general assembly on the third international development decade and the resumption of the North-South dialogue.

In his welcome to ambassador Dadzie, Raymond Chasle described him as an "eminent African brother" whose elevation to the important post of director-general in 1978 "was greeted by the Third World as one of the most important events of the past decade".

The chairman of the ACP ambassadors then outlined the relations between the ACP and EEC within the context of the Lomé Convention, and the obligations on both sides under the agreement. He said that with the entry of Zimbabwe, the ACP group had reached 60 members and represented an important part of the Group of 77. "We consider "he went on" that our struggle in Brussels is an integral part of the struggle of the Group of 77 to achieve a new and more equitable international economic order". The conference at Montego Bay on intra-ACP co-operation and the series of measures taken since the declaration of Suva demonstrated the belief of the ACP group that collective self-sufficiency was an essential part of, and a priority, in the new international order.

Ambassador Dadzie, for his part, opened a debate on the general world

economic crisis and the inherent problems involved in global negotiations and the international development strategy.

The discussion which followed covered the timetable difficulties of the negotiations, the energy question since here separate negotiations seem unacceptable, and the role of both the COMECON and EEC countries in NIEO. They also discussed industrialization, the high cost of investments and a guarantee system for the recycling of petro-dollars.

At the end of the discussions ambassador Dadzie noted with satisfaction the harmony of views between the ACP group and the Group of 77 in general. He believed it was politically important that the solidarity of views should be maintained. Ambassador Bullen of Grenada closed the session by thanking ambassador Dadzie for his visit.

New members of the bureau of the ACP Committee of Ambassadors

Composition from 1 August 1980

Chairman: S. Nandan, ambassador of Fiji.

Members: the ambassador of Mauritania, the ambassador of Malawi, the ambassador of Grenada, the ambassador of Sudan and an ambassador from a central African State.

Chairmanship of ACP sub-committees

Benin: S/C on agricultural cooperation

Guyana: S/C on trade cooperation

Congo: S/C on customs cooperation

Rwanda: S/C on financial and technical cooperation

Haute-Volta: Financial control committee

Nigeria: S/C on industrial cooperation

Kenya: S/C on intra-ACP cooperation

Ethiopia: S/C entrusted with specific problems of the least developed, landlocked and island Countries

Zambia: S/C on STABEX

Fiji: S/C on sugar

VANUATU

A new independent state

The New Hebrides joined the Commonwealth as its forty-fourth member state with the new name of Vanuatu when it became independent on 30 July.

Vanuatu is an archipelago of some 70 islands in the South Pacific, stretching south-east from the Solomon Islands for about 450 miles. The islands

are densely forested, and of coral and volcanic origin. The population of 120 000 is of Melanesian origin. The capital is Port Vila, on the island of Efate.

Copra from the island's extensive coconut plantations is the main cash crop. Fish is the second main export and cattle farming is being expanded. Tourism is of growing importance.

Vanuatu is a republic with an elected President as head of state. There is a unicameral legislature, and a Cabinet led by a Prime Minister, Father Walter Lini. Born in 1942, Father Lini was ordained an Anglican priest in 1970, elected to the Representative Assembly in 1975, and has been Chief Minister since 1979.

The New Hebrides had been administered jointly as a Condominium by Britain and France since 1906. ○

UGANDA

Journalists visit the Commission

Twelve journalists from Uganda, on completing a short course in Britain have been on a visit at the Commission



of the European Community in Brussels (EEC headquarters). The journalists, who are all working professionals from newspapers, TV and radio and the Ministry of Information, spent six weeks with the Thomson Foundation at their editorial training centre at Redfields in Hampshire. The course was sponsored

by the African Educational Trust and was financed from the European Development Fund under Uganda's programme in the Lomé Convention at the request of the Uganda Government.

The photo above shows the journalists at a reception at the Commission. ○

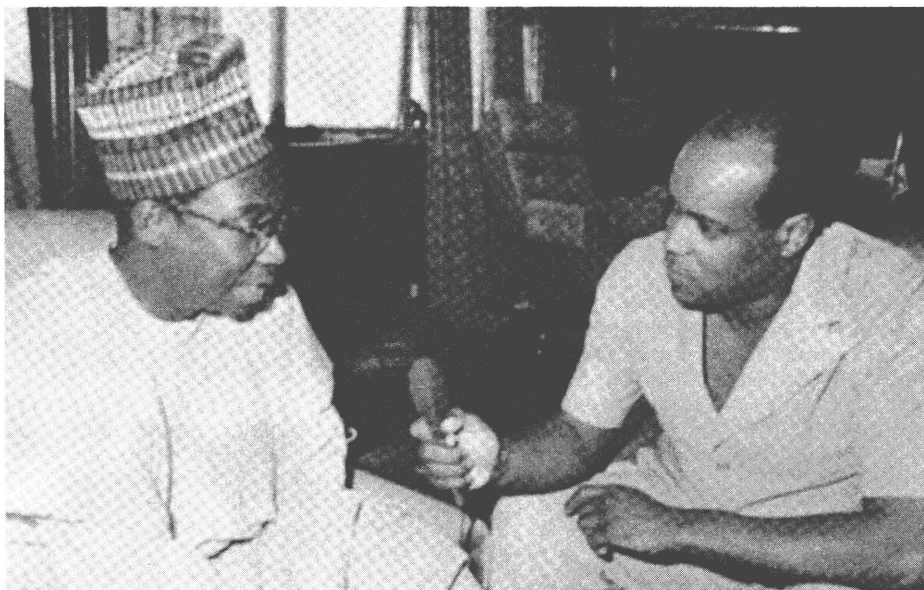
NIGERIA

Foreign Minister, Dr. Ishaya Audu talks to "Dateline Brussels"

"Africa constitutes the corner stone of our policy. We describe our Africa policy as a combination of all our permanent national interests and the interests of Africa as a whole". This was how Dr. Ishaya Audu, Nigeria's Foreign Minister, defined Nigeria's foreign policy in an interview with Clyde Alleyne, journalist from Trinidad who produces the radio programme "Dateline Brussels". (This is put out in English by the EEC Information Services and used by radio stations in 25 ACP countries).

Dr. Audu outlined the objectives of Nigeria's foreign policy as follows:

- the defence of Nigeria's sovereignty, independence and territorial integrity
- the creation of necessary political and economic conditions in Africa and rapid economic development (including the defence of all independent African countries)
- the promotion of equality and self-reliance in Africa and the rest of the developing world
- the promotion and defence of social justice and the respect of human dignity
- the promotion and defence of world peace.



Dr Ishaya Audu, Nigeria's foreign affairs minister (left) during his interview with Clyde Alleyne

The Minister also spoke of Nigeria's attitude to international economic questions, on which he underlined her support for structural change in international relations and criticised the slow pace at which this change was taking place, and of the Lomé Convention, between the EEC and the ACP (Africa, Caribbean, Pacific states). "Nigeria does attach great importance to the Lomé Convention, especially Lomé II,

which is clearly an improvement on Lomé I" he said. Nigeria "from the point of view of her concern for the development of the poorer countries in the ACP group" had supported and participated in the "hard negotiations" of both Lomé I and II.

She had so far not benefitted from the loans and special grants from the EEC through Lomé II but "expects to do so in the not too distant future". ○

GENERAL INFORMATION

EEC-Arab funds cofinancing

A meeting chaired by Claude Cheysson and Mr. A. Alhamad, director-general of the Kuwait fund, was held in Brussels on 17 June between representatives of the Commission of the European Communities, the European Investment Bank and the following Arab aid organizations:

- The Abu Dhabi Fund;
- The Saudi Development Fund;
- ABEDIA;
- The Arab Fund for Economic and

Social Development (AFESD);

- The Islamic Development Bank;
- The Iraq Fund;
- The Kuwait Fund;
- The Opec Fund;
- The Qatar Fund.

This meeting, the first of its kind, offered an opportunity for a wide-ranging exchange of views and information on development projects which are proposed or under way in various

Third World countries, particularly in Africa. The cofinancing operations undertaken in ACP countries during the first Lomé Convention were reviewed.

These involved nineteen projects with a total capital investment of 2 800 million EUA, to which the Community and member states contributed 31 % and the Arab Funds over 36 % (see table).

There was also a preliminary exchange of views on the prospects offered by the second Lomé Convention in the light of the priorities expressed by the ACP countries.

The participants agreed that at future meetings they would examine in greater detail ways of improving the exchange of information so as to facilitate cofinancing operations. ○

LOME I										
EEC/Arab funds cofinancing — June 80										
Country	Project	Cost	Country + Self.f.	Commission	EIB	EEC States	Total EEC	Arab funds	IBRD IDA/ IFC	Others
Cameroon	Port of Douala	94.6	13.4	4.2	—	12.3	16.5	8.4	21.1	35.2
Cameroon	Songloulou dam	193.8	96.1	—	13.5	35.5	49.0	48.7	—	—
Comoros	Telecommunications	3.5	—	2.3	—	—	2.3	1.2	—	—
Congo	CFCO	258.3	30.1	37.1	—	30.0	67.1	76.7	45.5	38.9
Ghana	Kpong Dam	213.1	58.6	9.0	10.0	—	19.0	65.6	35.2	34.7
Guinea	Plastics factory	13.0	2.5	5.8	—	—	5.8	4.7	—	—
Lesotho	Maseru Airport	34.0	2.2	3.0	—	—	3.0	17.7	—	11.1
Liberia	Bushrod power plant	24.0	1.3	—	4.9	—	4.9	11.8	6	—
Mali	Selingue dam	129.3	—	23.3	—	32.3	55.6	55.0	—	18.7
Mauritania	Guelbs iron ore	348.8	11.7	—	25.0	36.3	61.3	123.5	43.6	8.7
Mauritania	Gorgol development	70.1	7.2	9.4	—	9.4	18.8	23.0	8.7	12.4
Rwanda	Mukungwa power plant	29.8	2.7	20.0	—	—	20.0	7.1	—	—
Somalia	Goluen-Gelib Road	45.8	1.5	27.7	—	—	27.7	16.6	—	—
Somalia	Bardheera dam	350.0	—	40.0	—	32.0	72.0	100.0	—	178.0
Sudan	Babanoussa railway	125.7	61.3	9.0	—	—	9.0	38.3	17.1	—
Togo/Ghana/Ivory-Coast	CIMAO	249.4	53.9	18.0	25.9	36.3	80.2	8.8	52.7	53.8
Maurit./Seneg./Mali	OMVS	531.0	—	15.0	—	124.3	139.3	150.7	—	241.0
Cameroon/Tchad	Gidjiba/Moundou road	62.0	—	10.0	—	—	10.0	12.7	25.0	14.3
Zaire/Zambia/Angola	Lobito road	26.1	—	8.0	—	5.0	13.0	10.5	—	2.6
Total		2 802.3	442.5	241.8	79.3	353.4	674.5	781.0	254.9	649.4
Percentages		100 %	20.6 %	11.2 %	3.7 %	16.4 %	31.3 %	36.3 %	11.8 %	p.m.

Million EUA (July 1980: 1 EUA = 1.43 US \$).

UN

World Conference on Woman

The World Conference for the UN decade for woman was held in Copenhagen from 14 to 30 July 1980. (The *Courier* reported on the preparation of this conference in issue no 61, May-June 1980). Delegates from some

150 countries took part in the meeting which greatly amended the plan of action of the Mexico conference five years ago that ended the International Year of the Woman.

Many of the speeches that were delivered during the plenary sessions appeared as an extension to the current North-South and East-West atmosphere of confrontation. As a result the conference often gave an impression of disorder and confusion. ○

IMF/IBRD

During a meeting in Addis Ababa, the working party of African central bank governors of the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) agreed a joint statement to be presented to the next annual IMF/IBRD

meeting, to be held in October 1980 in Washington. The working party also agreed on two memoranda—one to the managing director of the IMF and the other to world bank president Robert McNamara. All three documents set out African socio-economic development problems and issues which, in the opinion of African member states of the World Bank group and IMF can help solve.

Three documents represent Africa's common position vis-à-vis what is regarded as inadequate IMF and IBRD activities in aid of Africa. The heads of the two institutions will be expected to reply to the issues raised in the memoranda. Among the issues raised by the working party are the following:

— The African share in overall lending level is seen to be decreasing in real terms compared with that of other developing regions, in particular there was a decline in soft loan lending pro-

vided by the International Development Association (IDA) during 1978-1979;

— African governments want an increase in the number of African senior echelon officials in both the IMF and the IBRD;

— African governors strongly support the establishment within the IBRD of an energy affiliate to finance energy development in African countries;

— African governors are urging the Bank group to take into account the Lagos plan of action in their lending operations;

— African governors propose that instead of the entire proceeds realized from loan repayments by least developed countries (LDCs) to the trust fund (from which only LDCs can borrow) being deposited into the extended facility which lends money to developing countries in general, such repayments should go back into the trust fund for relending to LDCs. ○

problems. But I don't want to bore you with a detailed list of what has been achieved in this or other fields.

► *At the beginning of the year, did the Italian government have any idea of the problems that were going to arise within the Community during its six months presidency?*

— Obviously the alarm had been sounded by the way the Dublin European Council had gone. Plus the fact that the 1980 budget had been rejected by Parliament in December. Our concern had already been shown in the statements on the programming of work made to the European Parliament in January by the Italian minister of foreign affairs, as had our "European" commitment to do everything within the power of the Community presidency to resolve the serious internal conflict that had arisen.

► *With regard to external relations, some observers claim that the Community has taken some fairly decisive steps forward in 1980 towards creating an independent and coherent foreign policy. Do you agree? What part has the Italian presidency played in formulating the Nine's foreign policy?*

— I think that recently the Nine member states have been more clearly committed to achieving concrete results in their "political cooperation". You know that this is the technical name given to the efforts made to find common positions, or at least agreed or harmonized positions, in the field of international politics. I think that a more precise answer to your question can be given by a simple list of the more prominent cases in recent months where a common position has been reached: the decision on the Middle East taken at the Venice European Council; the declaration and measures taken with regard to the Soviet invasion of Afghanistan; the declaration and measures concerning Iran and the problem of the American hostages. My country has always been a convinced advocate of close political cooperation among the Nine, and so it is perfectly in keeping that during its six-months Presidency it should have tried to promote this cooperation and direct it towards concrete results.

► *During the six months in question, what effect have Italian national politics had on the presidency?*

— There was a government crisis in my country between March and April. Although this did involve some timetable changes and some changes in the ministers presiding over the individual Council meetings, owing to a shift in the governing majority, the operation of the presidency itself was not disturbed. As you know, the commitment to Europe is shared by all Italian political parties, which helps to explain what I was saying earlier.

► *What conclusions do you draw from the past six months for the future of the Community?*

EUROPEAN COMMUNITY

The Italian presidency

On 31 July Italy's presidency of the EEC Council of Ministers came to an end. Italy's permanent representative in Brussels and chairman of COREPER, Eugenio Plaja, gave the following interview to the *Courier* on the achievements of the previous six months.

► *Ambassador, the Italian presidency coincided with a difficult period in Community affairs. How far do you think it can be seen as a success?*

— First of all, let's talk about the solution the Italian presidency managed to find to the situation that had built up around the problem of the "British contribution", which involved the common agricultural policy, the adoption of the Community's 1980 budget and other serious matters. I think that in order to appreciate just how successful this was, it is sufficient to picture the situation we would have been in now, had no solution been found. Just imagine: serious tensions, if not complete breakdown, between the member states, the common agricultural policy disintegrating as a result of the adoption of national measures, open conflict with the European Parliament. Fortunately all this has been avoided. And it has also been possible to indicate an approach to the basic problems of the Community's structure, which the crisis brought to light again. I am referring to the mandate given to the Commission by the Council as part of its conclusions on 30 May. Now that things have calmed

down, we can start looking for solutions to these fundamental problems on the basis of a mutual understanding of each other's position.

The success of the Italian presidency in this fundamental matter should not overshadow other results, the importance of which I will leave you to judge. There is, for example, the conclusion of the agreement with Yugoslavia and the revitalizing of the association with Turkey. These were two objectives which were of particular importance for a number of reasons. Still on the subject of external relations, I would like to mention certain results concerning Community policy with regard to the developing countries. Firstly, all that was necessary was done to ensure a smooth passage from the arrangements existing under the first Lomé Convention to those of Lomé II: the ACP-EEC ministerial meeting in Nairobi confirmed this in a particularly friendly atmosphere. Among the prominent features of the last six months, in the external relations field, I would include the EEC-ASEAN ministerial meeting for the signing of the cooperation agreement, the first conference between the EEC and the Andean Pact at ministerial level, the conclusion of an outline cooperation agreement with Brazil and the immediate, friendly welcome given to Zimbabwe while its entry into the ACP "family" is being worked out.

Other particular fields which the Italian presidency has concentrated on with fairly substantial results are energy, research (the new multiannual programme for the Joint Research Centre has been adopted) and social

— As Mr Cossiga said in Venice, some solutions should be seen as temporary solutions to problems with wider implications, which will have to be dealt with via a thorough re-examination of Community policies. To repeat what I said at the beginning of our conversation: had temporary solutions not been found, the effect on the Community would have been traumatic, and the consequences very grave. The normal functioning of the Community and its constant—though also far from dramatic—progress are now assured. Over the next two six-month periods, we must, however, make an unceasing effort to find a solution to the basic problems facing us.

With regard to this last point, I would like to point out that the European press has given the Italian President of the Council, Mr Colombo, credit not only for bringing about a solution to the serious problems we have been talking about, but also for having revalued the decision-making and problem-solving function of the General Affairs Council. This is an important legacy from the Italian presidency to its successor. ○

CID

A new director of the CID has recently been appointed. Jens Mosgard from Denmark replaces Roger Theisen, the CID's first director. Mr Mosgard previously worked for both UNDP and UNIDO. Dr I.A. Akinrele from Nigeria stays on as deputy director. ○

EEC BUDGET

The Commission's preliminary draft for 1981

The Commission has just adopted the preliminary draft budget for 1981. The first point to note is that it takes into account the accession of Greece to the Community. It is therefore the first budget for a ten-member Community.

Its overall volume is 21 731.8 million EUA in commitment appropriations and 20 051.4 million EUA in payment appropriations; compared with the 1980 budget these totals are up by 25.48% for commitment and 27.85% for payments.

When making a comparison it must be remembered that the 1980 budget has been substantially compressed—in the course of an unusually lengthy and difficult procedure—and that three factors which will particularly affect the 1981 budget account for part of the massive increase in the preliminary draft, namely the accession of Greece, the decisions of 30 May concerning agriculture and the British contribution to the budget. As the Commission has repeatedly pointed out, in 1981 the

problem of the exhaustion of the own resources which the Community receives at present will become real. In the present political context, however, the Commission considers that its preliminary draft for 1981 must stay within the 1% VAT limit, even though this means that it is not possible to provide for all that is politically desirable. The Commission has therefore restricted overall expenditure to available resources, while keeping a safety margin of some 550 million EUA.

Expenditure: the main budget headings

Farm price support (EAGGF Guarantee), totalling almost 13 000 million EUA, is 12% higher than in 1980 (11 486 million EUA)—a slightly larger increase than in 1980 (10.6%) but a marked improvement on previous years when the average increase (1975 to 1979) was 23% per year.

This figure allows for foreseeable developments on both the Community and the world market but does not include any provision for estimates relating to the decisions to be taken on farm prices and related measures for the marketing year 1981/82.

Despite the relatively moderate growth rate, agricultural intervention expenditure still represents the lion's share of the preliminary draft budget, to such an extent that revision of expenditure programmes and prudent financial management are now imperative.

As regards expenditure for structural purposes, meaning the Regional Fund, the Social Fund and the EAGGF Guidance Section, and also the "supplementary measures" for the United Kingdom under the Council decision of 30 May 1980, the Commission is proposing 4 369.3 million EUA in commitment appropriations and 3 055 million EUA in payment appropriations. Commitment appropriations for the three major funds are 29.8% higher than in the 1980 budget.

For the Social Fund the two main targets for operations remain young people and workers in regions in difficulty.

Given the present budgetary situation the Commission is proposing 1 000 million EUA in commitment appropriations (an increase of 10%) and 710 million EUA in payment appropriations.

Other expenditure

The other expenditure proposals reflect the policy priorities which the Commission has always endeavoured to show in its preliminary draft budgets. This applies, in particular, to development policy.

The Community and the member states have undertaken to supply 1 650 000 tonnes of cereals as food aid, compared with 1 287 000 tonnes in 1980. Of this quantity 927 000 tonnes will be supplied by the Community as such, an increase of more than 200 000 tonnes compared with the 720 000 tonnes under the 1980 budget.

Cooperation with non-associated developing countries (art. 930): the Commission is proposing 200 million EUA in commitment appropriations for 1981, i.e. what it planned at the outset (the 1975 proposal stipulated a gradual increase from 100 to 200 million EUA between 1976 and 1980), which is fully justified by the needs of the countries concerned and by the fact that this Community aid is now well established.

Special aid for Turkey: the Commission proposed that the 75 million EUA of special aid, approved by the Council in April 1979 be split into 40 million EUA for the 1980 budget and 35 million EUA for the 1981 budget. Thus, 35 million EUA has been entered as a payment appropriation for 1981.

Financial cooperation with Portugal: the overall volume for the 1980, 1981 and 1982 budgets is 235 million EUA; the Commission is proposing 50 million EUA in payment appropriations for 1981 and 90 million EUA in commitment appropriations.

Revenue

In the light of estimates for the other own resources (customs revenue and agricultural levies) a VAT rate of 0.95% will be necessary to provide revenue to cover total expenditure of 20 051.4 million EUA. The margin available before the 1% VAT limit reached is roughly 550 million EUA.

Inclusion in the budget of lending and borrowing operations and the EDF

The Commission's proposal of June 1978 for amendments to the financial regulation to enable borrowing and lending operations to be included in the budget is still on the Council's desk. The Commission feels that these operations have taken on such importance that a decision is now imperative and it has therefore drawn up the preliminary draft once again on the assumption that a favourable decision will be taken.

As in the past the Commission has set aside chapters 90 and 91 of the budget for the future inclusion of the EDF.

Growth rates, structure and relative size of the Community budget

With an overall volume of some 20 000 million EUA (in payment appropriations) the general budget, as proposed, would represent an increase of about 28% over the 1980 budget (16 265 million EUA).

A distinction should be made between the rate of increase of compulsory expenditure (agricultural and other), which would be 26%, and of non-compulsory expenditure (in particular, expenditure for structural purposes), which would amount to 38%. This reflects the substantial effort made to improve the structure of the budget.

In accordance with its instructions from the Council the Commission is going to examine what structural changes might be made to Community policies in order to secure a better balance in the financing. Although the rates of increase of the general budgets of recent years look large (between 21

and 23% from 1977 to 1979), it should be borne in mind that the volume of the Community budget in terms of the aggregate GDP of the member states has scarcely changed: from 0.79% in 1978 to 0.81% for the 1981 preliminary draft.

A comparison between the Commun-

ity budget and its national counterpart confirms that Community spending has increased only at the same pace as national spending. In 1978 the Community budget corresponded to 2.6% of the aggregate national budgets, in 1980 to 2.4% and in 1981 the relationship will probably be much the same. ○

The death of Sir Seretse Khama, a great African leader and "a man who sought liberty, equality and peace"

The co-chairman of the Joint Committee of the ACP-EEC Consultative Assembly, Giovanni Bersani, attended the funeral in Botswana of Sir Seretse Khama, a man he knew well, and in the tribute below describes him as a great African leader and humanist: Botswana's head of state, Sir Seretse Khama was considered one of the great African leaders and was respected throughout the Third World.

As a young man Sir Seretse was elected and proclaimed chief of the important Bamangwato group among the Swana. After completing his early studies in Botswana he went abroad to Oxford and then to study law in London. In exile for five years after his marriage, his personal prestige made him the focal point for all the political groups which were struggling to end colonialism and achieve national independence.

Sir Seretse returned to Botswana in 1956 and in 1962 founded the Botswana Democratic Party (BDP). It had as its main aims freedom and self-determination, but it also put forward policies aiming at social justice, political pluralism and peaceful coexistence between different groups in the country.

After long years of argument and struggle, and a period of negotiations in which he showed all the attributes of a statesman, Sir Seretse finally led his country to independence in 1966 as a parliamentary republic.

Situated in one of the world's most sensitive areas, bordering on South Africa, Namibia, Zimbabwe, Angola and Zambia, Botswana has survived since then in a zone of bloody guerrilla warfare which has characterized southern Africa for more than 20 years.

It seemed at the outset that the new republic, dominated physically by the huge Kalahari desert, would face a difficult economic future and be exposed to considerable problems. It

was in this context that the extraordinary character of Sir Seretse Khama emerged. Following wise internal policies and firm and courageous ones abroad he made his mark on his country's powerful and often dangerous neighbours. Botswana became directly involved in the struggle for independence in southern Africa as one of the front line states, while at the same time developing balanced and peaceful relations on all sides.

More than one person has found a similarity between Sir Seretse and Aldo Moro. The late Italian Christian Democratic statesman was known for his inspiration, his balanced style, calm realism and effective persuasiveness. He was widely read, pragmatic when faced with economic problems, and imbued with a deep democratic sense in both internal and external affairs.

Today Botswana enjoys many freedoms. There are no political prisoners, and the police rarely carry arms. The small army of 2 000 men set up a few years ago was created to deal with the incursions from South Africa and Rhodesia, before its independence. The economy of the country is healthy, based on stockraising and meat exports, and mining, mainly at present of diamonds. There has been progress with social services.

The republic is based on political, social and racial pluralism, and rejects and condemns all forms of discrimination, making it an example for all southern Africa.

Politically there is freedom of association and there are organized political parties. There are three parties in parliament. The BDP, founded by Sir Seretse, has 29 out of the 33 seats.

The second most important party, led by Dr Koma, is the BNF—the Botswana National Front.

Funeral tributes

Numerous heads of state, official delegations and individuals from all over the world attended the funeral service in Gaborone for the late President. In addition to the states of Africa, there were delegations from Australia, Canada, China, India and Mexico, among others, and the

world's press. Both Dr Quett Masire, unanimously elected to succeed Sir Seretse by the BDP, and Dr Kenneth Kaunda, the President of Zambia and official speaker at the official ceremony, summed up the life and work of the former President. Dr Masire said that Sir Seretse had always sought after peace with all his force but never at the expense of self-determination, independence and justice. For Dr Kaunda, the life of a man such as Sir Seretse was part of the history of our times. He recalled the numerous sacrifices the late President had gone through so that the African continent could live in peace, liberty and well-being, without distinction as to race, religion, colour or social position. And he continued to the very last, despite his poor health, to take risks in the enflamed situation of the region.

Dr Kaunda praised the calm and strength which characterized his life, and the inner serenity which gave him the strength to face the gravest decision without losing sight of the principles for which he had always fought.

The Zambian President pointed out that in a part of the world where both black and white feel differences in colour when they came into contact, Sir Seretse had shown by his thoughts, words and deeds that such feelings towards someone of a different race were senseless, empty and a total aberration. He had loved the whole human race and had unlimited faith in man, President Kaunda concluded.

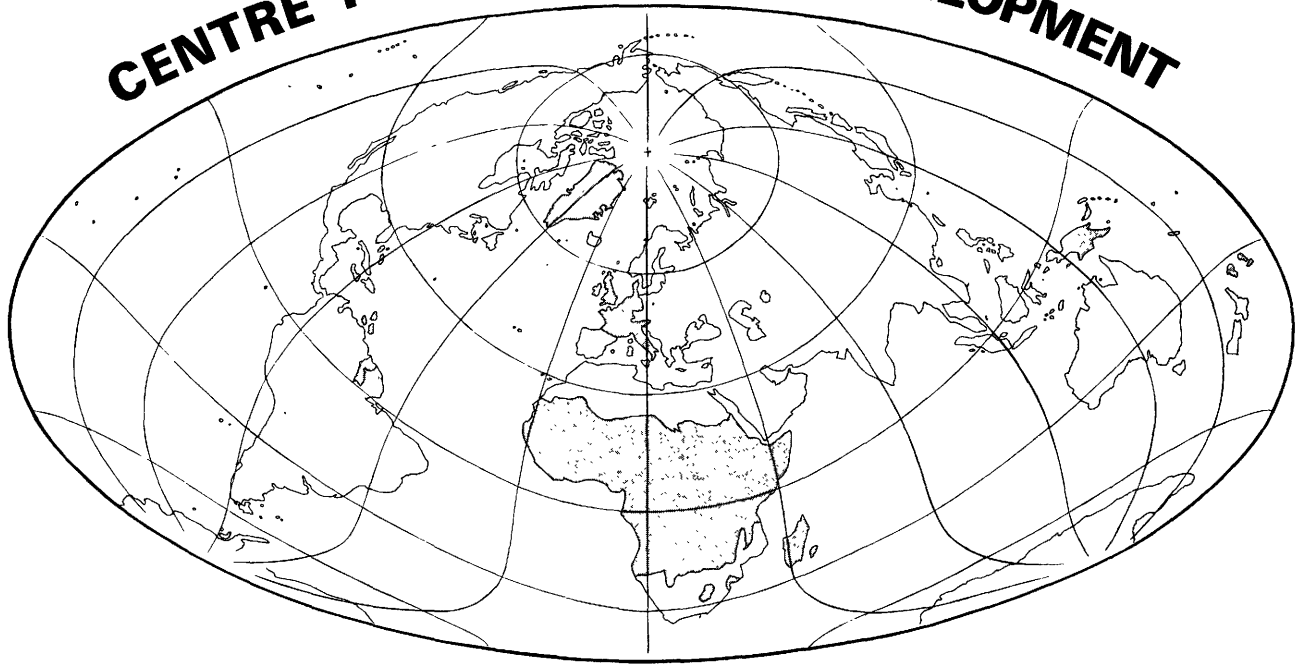
It was in this spirit that he sought liberty, self-determination, real independence and majority rule for all peoples. Sir Seretse was also a key figure in solving the Zimbabwe problem, and was chairman of the committee on economic and political development set up by the free states of southern Africa.

The death of this great African humanist and Christian is a loss for us all. The greatest loss is for the people of southern Africa, particularly in Namibia and South Africa, who are still struggling for independence, freedom, equality and peace, the same principles which Sir Seretse Khama had worked for with dedication all his life. ○

Giovanni BERSANI (*)

(*) Member of the European Parliament, vice-chairman of the development committee and co-chairman of the Joint Committee of the ACP-EEC Consultative Assembly.

CENTRE FOR INDUSTRIAL DEVELOPMENT



BUSINESS OPPORTUNITIES

Manufacture for export to the U.S. and the EEC

There is a large market in the U.S. and the EEC for ceramic tableware. If manufactured in ACP States, these products are eligible for duty free and quota free entry to the European Economic Community, for privileged access to the U.S. and Australia. Studies reveal that, bearing in mind the cost of capital and of transport, the most viable product would be highgrade porcelain of the type produced in Japan. The product would be highly decorated with silk screen litho's produced in house and using imported colouring.

The main product would be:

- 16 piece starter sets
- 25 piece dinner sets
- 18 piece tea sets
- 21 piece tea sets

The product would be well packaged to match the product display techniques used in the EEC and in North America.

The CID is preparing a detailed analysis of the viability of a company which could manufacture this highgrade tableware for export to the U.S.A. and EEC.

The annual sales value of the production is estimated to be in excess of 10 million EUA (landed in EEC or North America).

The capital requirements, not including land and buildings, are in excess of 7 million EUA. EEC industrialists are interested in participating in joint venture if this is preferred.

Copies of the analysis will be sent on request to enquirors from the ACP public sector or to enquirors from the private sector accompanied by a banker's reference.

Enquiries should state:

- a) the cost of gas or oil;
- b) the full cost of semi-skilled labour including all social charges;
- c) the cost of freight to EEC or USA in weekly shipments of 50 tonnes;
- d) whether factory buildings are available for rental and the rental charges per square metre.

Manufacture in Barbados

A recent (July 1980) EEC study of manufacture in Barbados for the export market looked at the fiscal and financial benefits, the general labour and industrial environment, and the experiences of expatriate companies which have been working there for some years.

The results make encouraging reading for any industrialist interested in manufacture for the markets of North America or the EEC.

Economic and industrial climate

Briefly summarized, the report points to:
— labour that is abundant, literate, enthusiastic, dexterous, and much cheaper than in Europe.

— exceptionally calm industrial relations "... the last strike of any significance was by public transport workers in 1977: it lasted 4 days".

— more engineering capability in Barbados than is generally known. Of the 11 expatriate manufacturing firms interviewed, two use one or other of the 8 local contracting firms to carry out regular preventive maintenance. The other 9 have their own engineering staff. Only one of the 40 engineering staff employed by these nine firms is expatriate.

The experience of expatriate firms.

Of the 11 firms interviewed, 8 achieve productivity rates as high as, or higher than, those of their present company. The highest achievement, in a subsidiary of a U.S. electronics firm, is 28% above U.S. performance.

Two firms achieve productivity rates 1-2% lower than their North American parents and one finds productivity in Barbados substantially lower than in U.S.A. This last firm, however, pays wages which are well below average and has a labour turnover of more than 100% a year.

Generally speaking, labour is low. Apart from the exception mentioned, none of the firms interviewed has a labour turnover higher than 15% a year. Absenteeism, which includes sick leave, is low, ranging from 4-12% in the sample interviewed: even the firm with the very high labour turnover does not find absenteeism a problem.

Educational standards are comparatively high in Barbados. Secondary education is compulsory up to the age of 16 (although transfers to the Polytechnic at the age of 14 are tolerated).

The great majority of workers in the firms interviewed have about two years of secondary education and about 20% are educated up to the British 'O' and 'A' level.

It has been found important that the training and supervision of the labour force should be carried out by Barbadian staff.

Cost Comparisons

The potential advantage for a European investor is to manufacture and export finished products to the EEC under the Lomé Convention and/or to U.S.A. under the G.S.P.

The key factors which demonstrate the viability of production in Barbados for export are:

- The high productivity.
 - Hourly wage rates around one sixth of West Germany's rates and one quarter of UK rates. The comparison of total hourly labour costs, including overtime bonuses, leave and employers' social security payments shows an even greater differential.
- | | US \$/hour | Barbados | U.K. | W. Germany |
|------------------------|------------|-----------|------|------------|
| Semi-skilled machinist | | 1.23-1.54 | 7.65 | 13.50 |
| Assembly worker | | 1.04 | 5.12 | 8.10 |
| Ancillary worker | | 0.86 | 4.65 | 6.35 |
- duty free and quota free entry to the EEC if the conditions of "originating product" are met.
 - privileged access to the U.S.
 - tax concessions
 - liberal movements of capital and income
 - training assistance
 - rental factories from US at \$ 2 ft²
 - natural gas available from US at \$ 0.26 m³

Small scale industries

In order to help ACP principals to establish small scale industry, Business Opportunities has started publishing a series of descriptions of small businesses, how to assess their viability in the local environment, and how to get started.

The July/August issue described:

- a) A business manufacturing fibre-glass boats — Capital required 54,000 EUA
- b) A business manufacturing ceramic and sanitaryware — Capital required 500,000 EUA

Both businesses could be highly viable in the right environment and joint venture participation is offered.

In this issue, we describe two further small scale joint-venture businesses manufacturing equipment for using solar energy to obtain hot water or drinkable water.

We also give a description of a business for the manufacture of cement tiles. This is a larger scale operation and joint venture is not offered.

Domestic & industrial hot water

The use of solar energy to heat water for domestic, hotel and industrial use is a practicable and viable proposition. The manufacture of the solar panels may be undertaken using local and imported materials.

One EEC company is looking for an ACP partner wishing to manufacture solar panels under licence. The installation involves a roller which is easy to carry, to manipulate and to work.

Its uses are as follows:

- the production of clean hot water;
- the production of industrial hot water;
- frost-proofing of buildings;
- heating swimming pools and gymnasiums;
- heating individual or collective dwellings.

The ways of incorporating it are:

- in the roofing under transparent tiles of glass, polyester or metarylate;
- on the terrace either bare or under transparent covers;
- on an industrial structure;
- on the facade (on a pier a gable);
- on a slope in green spaces.

Depending on the situation the panels can be nailed, pinned, screwed or stuck.

Besides the advantages of installation described above, due mainly to the flexibility and lightness of the panels, it also has the following attractions:

- it can be directly connected to the drinking water system;
- it resists pressure;
- it is frostproof;
- it is anti-corrosive.

It also overcomes the need for an adaptor, of anti-freeze, or a sluice—gate for draining.

The level of investment and the type of cooperation can be fixed later, with the European firm being ready to provide at least 33% of the registered capital.

ACP promoters interested in this project should contact:
L'Office Technique d'Etudes et de Coopération internationale,
47, rue de Villiers,
92527 Neuilly-sur-Seine
France. Tél. 758 12 15

ADVERTISEMENT

ACP-EEC Centre for Industrial Development is looking for

Experienced industrialists

The Centre for Industrial Development created by the ACP and EEC countries under the Lomé Convention will be expanding its activities and is therefore inviting applications from personnel with the following *minimum* qualifications:

- Bachelor or master degrees in Industrial Engineering (Mech. Eng.) or Business Management or Economics or Industrial Sciences;
- Citizen of an ACP or EEC country;
- Perfect in English or French and willing to learn the other language;
- Candidates must be in good health and able to travel in tropical countries.

Further qualifications for **senior professional posts**;

- Min. 15 years of experience after graduation working in the area of industrial development—preferably including 10 years working directly in industry, having reached a managerial capacity;
- Industrial professional experience from both EEC as well as ACP countries with a minimum of three years in each group.

For **junior and intermediate professionals** would be required minimum three and six years respectively of industry related experience—with minimum two years in ACP countries.

Work will be related to industrial promotion, arrangements for training and assistance to ACP industries, industry studies, provision of industrial information, marketing and technical assistance, etc.

Several posts are expected to be filled with junior and intermediate level professionals and a few at senior or managerial professional level. Salary levels are good compared to European standards. Four year contracts may be offered to qualified applicants.

Interested parties should send detailed C.V. with description of professional training and listing of previous experience. Applications should reach the Centre before 30 September 1980 and be addressed to:

THE DIRECTORATE

Centre for Industrial Development
Avenue Georges Henri, 451
1040 BRUSSELS

Candidates who do not meet the above minimum qualifications should not apply and will not receive any reply from the Centre.

An alternative approach is offered by another EEC company also offering to participate in joint ventures. This company, recognizing the difficulties of learning not only the technology and the marketing, but also the techniques of installation, offers to help in the setting-up of small-to-medium size companies which would start operations by manufacturing simple domestic hot water units with no real installation problems. These units are simple to manufacture and should sell for 300-600 EUA a unit. One unit would provide sufficient hot water for a house with four to five people. A small industry could be viable manufacturing 5-10 such units a day.

The capital required to establish a business if this type would be of the order of 25-30,000 EUA. Payback should be achieved in the first year making this a very profitable industry. The company would be able to expand into providing units for hotels, for industry, and for offices.

ACP principals interested in pursuing this possibility should write direct to G.T.S.

Avenue de l'Orée 15
1050 Bruxelles
Belgium

Drinking water

Solar energy may be used to provide potable drinking water from sea water or from brackish water. A number of

medium and large scale installation exist in various parts of the world—not all have been successful.

Most development work has been devoted to medium to large scale systems suitable for communities of various sizes. One example of such a system is installed on a Caribbean island and is suitable for a community of 250 people. The water output is 1 250 litres/day (1 000 litres from solar distillation and 250 litres from rainfall). The area of the still is about 400 m². Locally available material were used except for the glass panes, the rubber liner and the sealing compound. Installation took one year. The capital investment requirement was:

land 800 m ² a \$1	= 800
materials	= 14 000
labour	= 3 000
	<hr/>
	\$17 800

This included a wind-driven pump. The annual operating cost, including one full time attendant, is \$1 700. This works out at about 7 EUA for a thousand litres.

In many parts of the world, it may be more attractive for each family to have its own domestic still. A domestic solar still serving a family of 4-5 people and providing 15-20 litres a day of drinking water would require no pump and no mainte-

nance staff. The capital cost should be in the region of 200-300 EUA and have a life of 10-20 years. drinking water produced in this way would have a similar cost of about 7 EUA/1 000 litres.

Domestic stills of this type could be manufactured in any ACP country by local manufacturing companies. The total fixed, and working capital required would not exceed 30 000 EUA.

For further information on solar stills write to the CID for a description of the community stills.

For a description of an industry to manufacture domestic stills, write to:

G.T.S.
Avenue de l'Orée 15
1050 Bruxelles
Belgium

This company will offer to participate in joint-venture.

ACP requests

The CID continues to receive requests from ACP Countries in respect of certain broad sections of industry, and accordingly, would like to hear from EEC companies interested in being associated with development in these fields (other than the simple sale of plant and equipment).

1. Timber processing of all kinds, particularly furniture and building materials;
2. Cassava processing;
3. Copra processing;
4. Yeast production;
5. Rubber production;
6. Handicrafts and toys;
7. Plastic articles.

Karakul wool knitwear project Ref. 80/15d

The Ministry of Commerce and Industry of Botswana is looking for an EEC partner to form a joint-venture with the Botswana Development Corporation for the establishment of a karakul wool knitwear unit, based on local raw materials.

The EEC partner is required to bring technical know-how minority shareholding and marketing contacts.

Wood processing industry Ref. 80/16d

The Ministry of Commerce and Industry of Botswana is looking for an EEC partner (or partners) to develop the utilization of forest reserves and wood processing in Botswana, and specifically the establishment of a big saw mill (cutting rates p.a. 15 000 m³) and a small pilot plant (cutting rate p.a. 4 000 m³). An EEC partner is required to participate financially and technically in a joint-venture with the Botswana Development Corporation.

Nigeria Ref. 80/17d

An existing Nigerian factory engaged in low density polyethylene film extrusion wishes to expand with (1) the manufacture of polyethylene bags and sheets and (2) production of plastic buckets, files, toys, egg trays, cups, etc. by injector, blow moulding and thermoforming.

Cement-based tile making system Ref. 80/18c

Floor and wall tiles may be made from cement and offer a decorative and/or hardwearing surface suitable for internal and external use. A typical production rate would be 55 000 m² a year. This would require fixed capital investments of 300 000 EUA and 150 000 EUA of working capital. These figures should only be used as guidelines.

The process allows for the manufacture of:

- a) all types of decorative tiles in cement for floor covering from 20 × 20 cm to 60 × 40 cm;
- b) all types of tiles in industrial cement with a strong resistance to wear and shocks;
- c) tiles imitating certain ceramics for floor or wall covering (without the need for an oven);
- d) floor and wall tiles for exterior decoration;
- e) granito tiles known on the market;
- f) shiny wall tiles (imitating ceramics).

A profile entitled "Cement-based tile making system" is available from the CID. The project is said to be fully viable at an average selling price of 11 EUA per sq.metre. The EEC company offering this project does not offer equity participation.

A QUICK RESPONSE

If you are interested in any of the items mentioned in this periodical, send us a telex quoting the reference and we will send you further information when it is available.

Address all correspondence to:

**Centre for industrial Development
"Business Opportunities"
451, Avenue Georges Henri
1200 BRUSSELS
BELGIUM
Telex No. CDI 61427
Telephone (02) 735 80 73.**

A glance at Community life ⁽¹⁾

TRAVEL



A growth industry with the help of Community funds

'Tourism' to you or me may mean soaking up the Mediterranean sun, admiring the glories of ancient Rome, skiing in the Alps or trying to master the Paris metro. But it's also one of the most important branches of the European Community's economy.

For one thing, it's a major source of foreign exchange. The 189 million tourists who take European holidays every year spend about £ 100 000 million in the Community alone. Tourism now provides employment for about 10 million Community citizens—about 9% of the entire labour force. What's more, it's a constantly expanding sector, and one of the few where unemployment is virtually non-existent.

Though there are no provisions relating to tourism in the Community's founding Treaty, the creation of the Common Market has itself helped to develop tourism by making it easier for people to move from one country to another, and quite a lot of Community legislation touches directly or indirectly on tourism.

From the environmental and health point of view, for instance, directives in 1975 and 1976 aimed to safeguard the quality of bathing water and limit pollution. From a safety point of view, the

Commission is preparing measures to improve the protection of travellers against fires in hotels.

From the consumer's point of view, a recent Commission memorandum on air transport aims to stimulate competition between airlines.

Bearing in mind that there is often great tourist potential in the natural beauty or architectural heritage of regions which are suffering economic decline or do not readily lend themselves to industrialization, many Community governments have included tourism in their regional development plans.

The various Community funds—the Regional Fund, the Social Fund and the European Agricultural Guidance and Guarantee Fund (EAGGF)—and the European Investment Bank also provide financial support for a number of tourist projects. In this way it is hoped that

rural economies can be revitalized and local people can continue to live and work there.

Assistance from the Social Fund, for instance, enables some 225 people a year to attend a regional centre for training in the tourist trades at Briançon in France which offers training in the hotel and restaurant trade, or in providing winter sports facilities—as ski instructors, mountain guides and rescue workers, sports goods retailers, and so on—or in rural tourism—running farm holidays or riding instruction for instance—and crafts like carpentry, enamelling, weaving and art metalwork.

In an effort to develop tourism on the Italian island of Elba, the region of Tuscany trains young people for occupations in the catering trade to encourage them to remain on the island.

Eighty people a year benefit from Social Fund assistance here.

Where the money goes Revenue from and expenditure on international tourism in 1976 and 1977

(\$ US million)

Country	Revenue (R) Expenditure (E)	1976	1977	Difference between R and E	
				1976	1977
Belgium- Luxembourg	R	841.8	993.2	- 581.7	- 642.2
	E	1 423.5	1 635.4		
Denmark	R	803.3	939.9	+ 54.9	- 2.3
	E	748.4	942.2		
FR of Germany	R	3 204.6	3 803.7	- 5 646.4	- 7 000.9
	E	8 851.0	10 804.6		
France	R	3 639.4	4 376.7	+ 205.9	+ 456.9
	E	3 433.5	3 919.8		
Ireland	R	259.3	323.1	+ 71.3	+ 85.8
	E	188.0	237.3		
Italy	R	2 525.0	4 762.4	+ 1 817.7	+ 3 868.5
	E	707.3	893.9		
Netherlands	R	1 061.0	1 110.0	- 916.0	- 1 344.0
	E	1 977.0	2 454.0		
United Kingdom	R	2 899.0	3 805.0	+ 1 104.0	+ 1 884.0
	E	1 795.0	1 921.0		

(1) Euroforum.

Similarly, the EAGGF (primarily an agricultural fund) can grant financial aid for projects relating to tourist or handcraft activities.

And aid given under this fund for projects improving the infrastructure, like rural and forestry road networks, electricity supply, land drainage and drinking water supplies, while it's principally aimed at encouraging farmers to modernize their farms, will also help to improve an area's tourist potential.

The European Regional Development Fund, with its aim of correcting the regional imbalances within the Community, can also offer assistance for tourist investments, especially in areas where tourism is the main—or only—source of development potential.

One possibility is help in creating, extending or modernizing hotels, inns and holiday villages. Another is aid for constructing large-scale sports, leisure and cultural facilities; or developing marinas, lakes and waterways which might give a boost to tourism in the region.

Over the past five years assistance has been given to over 200 projects with a direct bearing on tourism in all Community countries.

The so-called 'quota-free' section of the Regional Fund, created last year, now enables the Community to finance more specific measures over a limited period.

One proposal involves £ 72 million to help develop rural tourism in the areas most directly affected by Greece, Spain and Portugal's accession to the Community.

Another is for £ 14.5 million to promote tourism and develop craft industries in frontier areas on either side of the Irish border.

The European Parliament has set up a working group to deal with matters relating to tourism. Its job will be to consider Community initiatives that help promote tourism, such as the reduction of frontier formalities, the creation of a Community passport and the protection of Europe's cultural heritage.

Though tourism can bring enormous economic benefits to the countries concerned—and offer visitors the chance of relaxation and cultural exchange—mass tourism can also be a source of problems.



Many people complain that the hotels, roads and other facilities provided for the tourists ruin the natural beauties of the countryside, or that tourist traffic chokes the streets and public buildings of historic towns and villages during the holiday season.

As well as destroying the atmosphere of a place, overcrowding by tourists can even pose a physical threat to the sites and monuments themselves—as happened in Lascaux in France with its famous cave paintings.

It's surely Europe's scenery, history and architecture which make it such a popular place to visit, but preserving and protecting this heritage is an expensive and often difficult task.

The Community has realized the importance of searching for a balance between the development of the tourist industry in certain areas and conserving our natural and cultural heritage.

In a 1977 resolution, the Council of Ministers agreed that 'our architectural heritage... is a non-renewable resource of the Community... and the major physical manifestation of the cultural and historical identity of Europe...'

Community measures in this field have so far concentrated on sponsoring training for students in restoration techniques and funding research into new methods of conservation, but the Commission is at present examining other ways of helping to finance conservation projects.

Other suggestions for improving the situation include increased staggering of holidays to reduce overcrowding and offering tax incentives for firms connected with the tourist trade if they contribute towards financing preservation work.

If, by both national and international action, the benefits of tourism can be more evenly spread and the problems brought under control, the prospect of tourism becoming the world's third largest industry in the near future will be one to welcome rather than dread.

Frontier queues: will we ever see an end to them?

Whether you travel by road, rail, sea or air on your holidays this year, you will inevitably have to contend with queues at customs posts. Is this consistent with being a citizen of the European Community?

This is the gist of a question which was posed recently by a Danish member of the European Parliament, European Progressive Democrat Kai Nyborg, to the European Commission.

Mr Nyborg himself put his finger on one of the main causes of the delays—the need for greater vigilance because of the growth in terrorism. Nevertheless, he felt that the officers of the law sometimes go too far.

'These more stringent checks', he complained, 'assume in certain cases the form of irrelevant questions to incoming travellers concerning their private lives and occupations, and one Member State has even introduced what are virtually systematic identity checks on motorists both entering and leaving the country.'

Mr Nyborg's concern was that these more stringent identity checks might cancel out the progress already made towards unimpeded passage across the Community's internal frontiers.

He also doubted if systematic checks were an effective means of combating terrorism and he wondered if the inconvenience suffered by ordinary citizens was not out of proportion to the results obtained in the fight against terrorism.

The Commission pointed out to Mr Nyborg that it was not for it to judge the benefits to security which result from a tightening up of checking at borders since security is a matter dealt with by the national administrations and does not fall within the Commission's competence.

However, it reminded him that, as far back as 1968, it called on the Member States to avoid systematically stopping travellers at frontiers within the Community and to carry out checks on them and their vehicles in exceptional cases only.

While the Commission appreciates the need to combat terrorism, it said that, in principle, it shared Mr Nyborg's view that, far from making it more difficult to cross the Community's internal frontiers, every effort should be made to make it easier.

It added: 'Citizens of the Member States are increasingly aware of their right to free movement within the Community and consequently fail to understand, under normal circumstances, why they should nevertheless have to wait for long periods at frontiers.'

In addition to combating terrorism, Member States maintain border checks because there are still differences between their regulations in the areas of taxation, agriculture, public health, statistics, commercial policy, transport regulations and, in some cases, exchange control.

Checks on travellers are also measures to help combat smuggling, particularly of firearms and narcotics, and organized crime.

In order to limit these checks, the Commission has already taken a series of measures to harmonize legislation, particularly in relation to taxation, public health, statistics and transport, and to simplify customs procedures and formalities.

In addition, steps have been taken to introduce a procedure for mutual assistance between administrative authorities in the Community, aiming particularly to deal with infringements of customs and agricultural regulations and tax legislation.

The introduction of a Community passport would also make travel easier



for Community citizens travelling from one Member State to another.

However, progress has been deadlocked for more than three years because the Member States have failed to reach agreement on the use of Community languages on the passport, on whether the words 'European Community' should appear more boldly than the name of the Member State on the cover, and on which legal instrument should be used to create the passport.

Agreement has already been reached on the format of the passport, the number of pages, and the colour.

Duty-free goods: allowances may be increased

Few things retain the flavour and scent of holidays than a duty-free bottle of whisky or perfume.

When we have nothing but photographs to remind us of our sun tans, it's nice to have a cut-price nip of cognac or the aroma of a good cigar to remind us of how things used to be.

In recent years, the existence of the European Community has meant that you can stretch out these memories a little longer.

Whether you have spent your holiday in another Community country or outside, the amount of duty-free goods you can bring home has gradually been increased.

Our table sets out exactly what you are entitled to bring through customs without paying duty or excise.

Why not cut it out and take it with you on holiday? Not many duty-free shops tell you what your entitlement is, particularly those outside the Community.

If you are not to be disappointed when you arrive home laden with goodies, you should read this list carefully. It is particularly important to note the word 'or'.

Travellers, particularly those who do not travel all that regularly, are often confused by the different classifications of alcoholic drink. Here are a few pointers.

'Distilled beverages and spirits' exceeding 22° include whisky, gin, rum, cognac, vodka and most liqueurs. Fortified wines include port, sherry, vermouth and madeira.

Sparkling wines mean champagne, spumanti, semi-sparkling wines and the like.

Still wines are normal table wines like burgundy, bordeaux, chianti and so on. However, wines from some regions can be either sparkling or still, so read the label carefully.

The European Commission has consistently aimed to boost these allowances and it currently has proposals before the Council of Ministers which it wanted to see adopted by 1 July in time for the holiday season.

Its proposals are that the amount of still wine you can bring back from another Community Member State be increased from four to five litres, that the amount of coffee be increased to 1 000 grams, of coffee extracts and essences to 400 g, and of tea and tea extracts and essences to 200 g and 80 g respectively.

In addition to the goods itemized in our table, you are also allowed to bring in other goods worth up to 180 European Currency Units (ECU) of account. This is approximately £ 108 at the current rate of exchange but you should check on the exact amount in your national currency before you leave. Travellers under 15 years of age have an allowance of 50 ECU (approximately £ 30).

The Commission is proposing that these additional allowances should be increased to 210 ECU (approx. £ 126) from 1 July for over-15s and to 300 ECU (approx. £ 180) by the beginning of 1982. The equivalent for under-15s is 60 ECU (approx. £ 36) rising to 85 ECU (approx. £ 50).

A final point worth noting. Under existing legislation, Denmark and Ireland can exclude from tax exemption goods whose unit value exceeds 135 ECU (about £ 80) and 77 ECU (about £ 46) respectively. These levels may also be increased.

In addition to goods which you can bring home duty-free from your holidays, you should also remember that, as a result of Community legislation,

you can now receive small parcels from abroad duty-free.

This extra perk applies to small consignments of a non-commercial character (usually gifts) which are sent to you by a friend living in another Member State or in a non-Community country.

The goods, which may include small quantities of tobacco and a bottle or two of wine, should be intended for your own private use and should not exceed 30 ECU (about £ 20) in total value.

Helping to keep down the cost of foreign coach trips

The European Community recently signed an agreement with eight other European countries which should help to make cross-border coach travel easier and also help to keep down fares.

The agreement, which de-regulates the movement of tourist buses, covers the nine Community member states and Austria, Finland, Greece, Norway, Portugal, Spain, Sweden and Switzerland.

Its effect will be to remove the need for authorizations to coach companies to operate in another country, which until now have been the subject of bilateral agreements, as well as cutting through a lot of red tape. In future, drivers of tourist coaches will simply have to keep a log book recording their trips.

The agreement means that tourist coaches will now be able to tour all over Western Europe with the minimum of administrative fuss. Coaches will also be able to take a group from one country to another and return empty, or make an outward journey empty and pick up a group abroad.

The result will be increased competition between coach tour operators and this, together with the removal of costly and time-consuming administrative formalities, should help to keep down fares for the tourist.

Insuring your car

Frontier officials no longer ask motorists to present their insurance 'green card' when they cross Community frontiers or when they enter or leave Austria, Switzerland, Sweden, Norway and Finland.

This is because insurance companies within the Community must provide third party cover for motorists travelling to other Community countries and have extended this principle to the other countries mentioned.

Quantitative reliefs from taxes and excise duties

Product	Travellers within the Community	Travellers from third countries
<i>Tobacco products</i> <i>cigarettes or cigarillos (cigars of a maximum weight of 3 grams each) or cigars or smoking tobacco</i>	300 pieces 150 pieces 75 pieces 400 grams	200 pieces 100 pieces 50 pieces 250 grams
<i>Alcoholic beverages</i> (3) distilled beverages and spirits of an alcoholic strength exceeding 22° or distilled beverages and spirits, and aperitifs with a wine or alcohol base of an alcoholic strength not exceeding 22°; sparkling wines, fortified wines and still wines	to a total of 1.5 litres to a total of 3 litres to a total of 4 litres	1 standard bottle (0.70 to 1 litre) to a total of 2 litres to a total of 2 litres
<i>Perfumes and toilet waters</i>	75 grams 3/8 litre	50 grams 1/4 litre
<i>Coffee</i> (4) or coffee extracts and essences	750 grams 300 grams	500 grams 200 grams
<i>Tea or</i> tea extracts and essences	150 grams 60 grams	100 grams 40 grams

(1) These reliefs do not prejudice national provisions applicable to travellers whose residence is outside Europe.

(2) Member States may reduce certain of these reliefs for frontier zone residents, frontier zone workers and international travel crew members.

(3) This relief does not apply to travellers under 17 years of age.

(4) This relief does not apply to travellers under 15 years of age.

It should be emphasized, however, that the automatic cover is only the legal minimum required according to the laws of the country visited, and this differs from one country to another. The 'green card', therefore, is not legally essential, but motorists wishing to be fully insured against accident should make their own private arrangements.

Falling ill on holiday: don't go unprepared

Falling ill in a foreign land has long been the traveller's nightmare. Even today you hear horror stories about people who have had to spend years paying back the enormous hospital bills they ran up when they fell seriously ill on holiday. Having adequate insurance before you leave is the only answer, but that's not always easy.

Citizens of the European Community are lucky in this respect, because so long as they are travelling in another Community country they don't need to take out any special insurance and can still rest easy that, should they or their family fall ill, they will be taken care of.

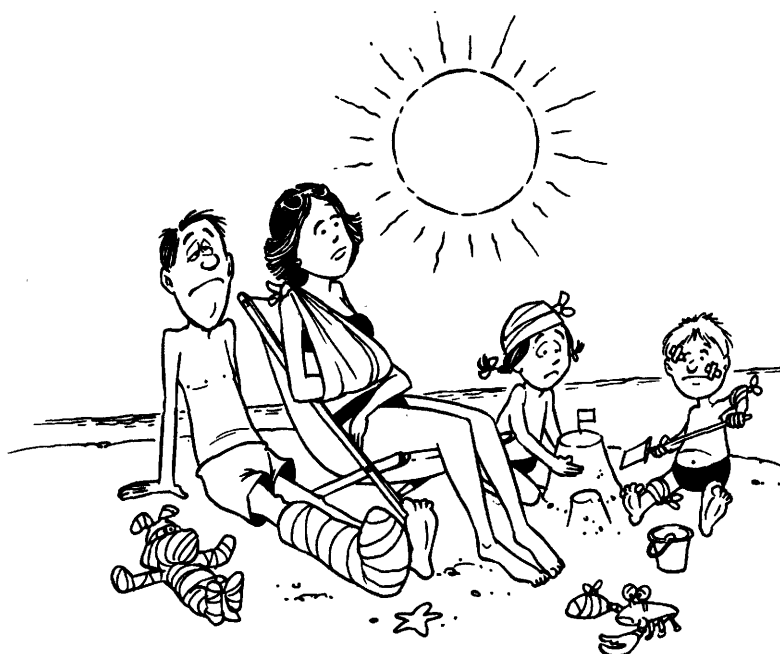
This is because of the Community's agreement on reciprocal health insurance and social security, whereby people covered by such a scheme in one member state are entitled to the normal benefits which are available in any other member state in which they happen to find themselves.

This means that an Italian suffering from frostbite in Greenland or a Dane with sunstroke in Sicily will find himself treated like any other Dane or Italian with a similar problem. The same applies to schoolchildren and students if they are members of a Community worker's family.

The cost of the benefit is, in principle, borne by the member state where the worker is insured. If the legislation of the member state of stay requires nationals insured under its scheme to participate in the medical costs, for example prescription or dental charges, then the worker will have to make the same contribution to those costs as nationals of that state.

One snag is that, for the moment at least, self-employed and non-employed people are not so fortunate, unless they are insured in a scheme for workers or fall into certain categories under the United Kingdom social security system. The European Commission has twice suggested to the Council of Ministers that the provisions should be extended to include them as well, but so far to no avail.

For those who are insured, it is important to follow the right procedures.



The main thing is to carry with you Form E111. For this, contact your local social security office, which will supply you with all relevant information leaflets.

Form E111 is a certificate of entitlement to treatment. It is not needed in Ireland, the United Kingdom or Denmark. Visitors to Belgium, France and Luxembourg, where part of the cost of treatment has to be paid, would be wise to take out private insurance to cover that risk, as the contribution to costs could be substantial and there is no entitlement to refund.

Form E111 will be valid from the date of issue until one month after the expected date of return, and may be extended.

If it is impossible to get Form E111 before leaving and it is required abroad, you should ask the local sickness institute to get it for you before you leave the country where you are holidaying.

A visitor is generally entitled to treatment only for conditions needing immediate attention during the visit. However, pensioners and their dependents, or people receiving industrial injuries benefit, may be able to obtain a wider range of treatment.

Arrangements for free or reduced cost treatment apply only if treatment is undertaken by doctors and hospitals operating under the sickness insurance scheme of the country concerned. Not all charges are refundable but the local sickness insurance office will pay those that are.

Refunds should be applied for in person or by post before leaving the country; otherwise, it may not be possible to receive expenses on your return home

or, at least, there will be considerable delay before the matter is settled.

Generally speaking in Denmark, the Federal Republic of Germany, Ireland, the United Kingdom and Italy medical care is given free by doctors or dentists approved by the insurance organizations, though charges are sometimes made for medicines. In the Netherlands, while medical care and prescribed medicines are free, part of the cost may have to be paid for dental treatment.

In Belgium, France and Luxembourg, the insured person must normally pay all or part of the costs of treatment, and is then reimbursed by the competent local sickness insurance organization in accordance with the scale applied to these countries' own citizens.

So what will happen when the holiday haunts of Greece, Portugal and Spain eventually join the Community?

The same rules will apply to Greece as to the other Member States as from 1 January 1981.

In addition, there is a proposal at present before the Council of Ministers suggesting that, in the light of the agreement concluded between Portugal and the Community, Portuguese workers and their families within the Community should be covered by similar rules. No negotiations on the matter have yet taken place with Spain.

So, for the moment at least, the soundest advice for the Briton travelling to Portugal or the Spaniard going to Belgium—or for the self-employed person going almost anywhere—is: get covered. And that doesn't mean just keeping out of the midday sun. ○

Books about Europe

Georges SUFFERT — **Quand l'Occident se réveillera (When the West awakes)** — Editions Grasset, 61, rue des Saints-Pères, 75006 Paris, France — 187 pages — Bfrs 293 — 1980

Between the last days of the summer of 1979 and the first day of 1980, millions of people across the world realized that war was no longer completely out of the question. A long period of torpor came to a close as, every night, men and women saw evil parade across their television screens—as tension rose in Cambodia, Afghanistan and Iran. Is this a run-up to full-scale war? Is the apocalypse soon?

This book shows the absurdity of this fascination with catastrophe and decline. Not only can war be avoided but the Western countries have actually been committed to avoiding it, without clearly realizing it, since 1973. Year by year they have shed their ideologies. They have taken stock of the strength and the weakness of the Soviet empire. They have reinvented human rights and a moral code for survival. The old democratic myth is no longer a bourgeois cast-off but the only political hope of all those who live in the shadow of the concentration camps. Lastly, whole stretches of the Third World are emerging from their underdevelopment and gradually joining the little clan of industrialized countries. Maybe it is the dawn of a new day, not the close of the old.

What proof is there? Take the events in Iran. By making hostages of the staff of the American embassy, the Ayatollah has managed to prod the whole of America into wakefulness. We have just seen a modern Pearl Harbour, thanks heavens, before an irreversible train of events began.

So the situation can still be retrieved. Provided that...

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Helmut SCHMIDT — **La volonté de paix (The will for peace)** — Preface by Alfred Grosser — Librairie Arthème Fayard, 75, rue des Saints-Pères, 75006, Paris, France — 284 pages — Bfrs 381 — 1980

"Our generation knows full well that keeping the peace, which means

much more than just avoiding conflict, demands a constant effort".

This could sum up the 15 speeches combined in this book, which Chancellor Schmidt sees as the profound expression of his political thinking. He deals with subjects as varied and vital as collaboration between partners in a political alliance, the responsibility for research and science in the future of our society, the role of the unions, the lessons to be learned from history and the basic principles of international economic policy.

All these reveal his conception of Federal Germany's policy and, going one stage further, of the policy of Europe as a whole. It is more than a discussion of current events. It outlines a programme that should enable us to successfully carry out the most difficult of tasks and most imperious of the duties of our generation—to keep the peace.

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Henri NEUMAN — **Traité d'économie financière, de l'épargne à l'emploi (A treatise on finance, from savings to employment)** — Presses Universitaires de France, Librairie générale — Service Cn 49, Bvd Saint-Michel, 75005 Paris, France — 368 pages — FF 135 — 1980

This work deals with the policies, machinery and instruments of the financing of investments in the industrial democracies. It analyses the role of and outlook for savings, markets and public and private firms concerned with credit, financing and development. It clarifies the issues that have been aggravated by crisis and unemployment, covering their complementary functions, their various systems and their relations with the authorities. It proposes solutions that combine imperatives of general, regional and social interest, efficiency and financial equilibrium. It suggests new ways of capitalizing, for everybody's benefit, on intelligence and production that are currently badly or inadequately used. It compares the action taken by the countries of the EEC to amend, harmonize and generalize them. The preface by Belgian foreign minister Henri Simonet stresses the author's constant concern with extending his argument well beyond the national framework to take in the whole of Europe and the

establishment of a new international economic order.

This is an international, humanist and practical work aimed at scientists, students and practitioners as well as at politicians, administrators, firms and unions—anyone, in fact, concerned with re-establishing our crisis-ridden societies and with adapting to interdependence, solidarity and the aspirations of mankind.

Henri Neuman was the first chairman of the Société Nationale d'Investissement (SNI) and the Société Belge d'Investissement International (SBI). He is a professor at the free university of Brussels (French-speaking), is head of the Belgian section and the financial group of the Centre Européen de l'Enterprise Publique and is involved in running various cultural, scientific and philanthropic institutions.

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Enrico VINCI — **"Il Parlamento Europeo" (The European Parliament)** — Seria "Pianeta Europa" — Editions Le Monnier — 73 pp. — 2 800 lire — 1980

This book is just one in the growing list of literature on the European Parliament since its first direct election in June 1979. For the Italian reader, the book is remarkable for its conciseness and clarity. The author gives a systematic analysis of the procedures and the functioning of the Parliament in which a less informed reader is easily lost.

After examining its relationship with other institutions of the Community, he traces the history of the European Parliament back to the common Assembly of the European Coal and Steel Community. A brief summary of the composition and functioning of the Parliament leads to the most interesting chapter—the powers of this Parliament. Enrico Vinci distinguishes four categories: non-conventional powers relative to its internal organization, rules and operation; deliberative powers by which it can advise and make recommendations; budgetary powers; and political powers.

The relationship between the European Parliament and national parliaments is followed finally by an examination of the role the Parliament ought to play in Europe's evolution and progress.

There is a brief description of the electoral systems applied in June 1979 as well as a summary of the results in the annex.

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Alain LANGLOIS — **Les Nations unies et le transfert de technologie (The UN and the transfer of technology)** — Editions Economica, 49 rue Héricart, 75017 Paris — 222 pages — 1980

The short cut to economic development represented by the acquisition of foreign technology is of great interest to the people of the Third World. And it has not escaped the attention of the UN, which, aware of the problems of its time, has made the transfer of technology one of the main features of its drive for a new international order.

This question was not posed to the UN from the start. It gradually emerged from a broad discussion of the application of science and technology in the developing countries and it gave rise to the creation of specific bodies responsible for producing a multilateral policy for the transfer of technology. The aim of this policy is both to intensify the transfer of technology, to moralize it and to improve the ways in which it is made. Briefly, it is to transmit as many "proper" techniques to the Third World as possible in the most liberal of conditions and, in particular, at the lowest possible prices.

The UN, mainly through UNCTAD, combines all its means of action for this purpose—general policy recommendations to the member countries, technical assistance and a permanent framework for the negotiation of an international code of conduct.

There are two major obstacles here. First, a practical one. International society is badly organized. In particular, it lacks international instruments that can be used to organize and implement the joint action that an improvement in North-South relations demands. This is because the countries themselves are anxious to continue to have full freedom of action and the UN, which is the best instrument we have, does not have the necessary powers to intervene in the requisite manner.

The second obstacle is a social and intellectual one. The transfer of technology is an economic short cut that

is not without its pitfalls. Technology is a factor of production and it is also a social product generated in ways that are not yet fully understood. It is not always possible to successfully construct a miniature social mechanism (based on a known technique, but for transmission outside the original environment) that will reproduce the same or a similar technology.

The UNO can be overconfident and may sometimes fail to recognize the importance of these two obstacles, which considerably restrict the scope of international intervention. A better understanding of the transfer of technology and the people involved and a better assessment of the instruments of collective action are the keys to the UN's effectiveness in the transfer of technology. They are also the keys to the development of international economic co-operation.

Alain Langlois, a 30-year old Doctor of Law and specialist in political science, has taught in the universities of Abidjan and Aix-en-Provence. He went to the University of Bath's centre for development studies as a research officer and continued with the work on the transfer of technology that he began in 1976 with the assistance of the general delegation for scientific and technical research. He recently left university life to work for a major French industrial group.

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Annuaire des Communautés Européennes et des autres organisations européennes — European Communities Yearbook and other European Organizations — Editions Delta (92 Square Plasky, B-1040 Brussels) — 4th edition, hardback, bilingual French-English — 600 pages — BF 1 200 — 1980

This yearbook by Editions Delta is a useful working tool which gives practical information on the European Community and other European organizations, as well as some organizations in Eastern Europe. The information covers: full address, aim of the organization, composition and publications.

For the Community, the yearbook has assembled under one cover information on the Community institutions, the Press corps, trade and professional associations, etc. which is spread over a number of other publications. The alterations and updating of the preceding edition involved

more than one third of the information, which represents a considerable amount of work, bringing the book up-to-date to 15 May 1980. It may be noted that an up-dating of the 4th edition will be published at the end of 1980, priced BF 250.

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Michel GODET - Olivier RUYSSSEN — **L'Europe en mutation** — foreword by Guido Brunner, "Perspectives Européennes" series, distributed by the Official Publications Office of the Communities (Luxembourg) and its branch offices — 156 pages — BF 150 (or 3.70 ECU) — 1980

This report aims to throw light on the prospects and problems which could affect the long-term development of the Community.

This book is one of the first fruits of the FAST programme—the four main authors being Mr Michel Godet and Mr Olivier Ruysen who worked together with the four other members of the team. *Europe* has already given a resumé of the main findings of the report on key technological changes in the coming decades: the technology of information, the biological revolution and energy.

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F. DUMON — **La Cour de Justice Benelux** — Ets Emile Bruylant (67 rue de la Régence B-1000 Brussels) — 458 pages — 2 226 BF — 1980

The activities of the Benelux Court of Justice, which held its first public hearing on 11 May 1974, are still relatively limited. To date, it has been asked to give twelve preliminary rulings interpreting legal regulations common to the three Benelux countries and has had ten cases taken before it by the consultative committee.

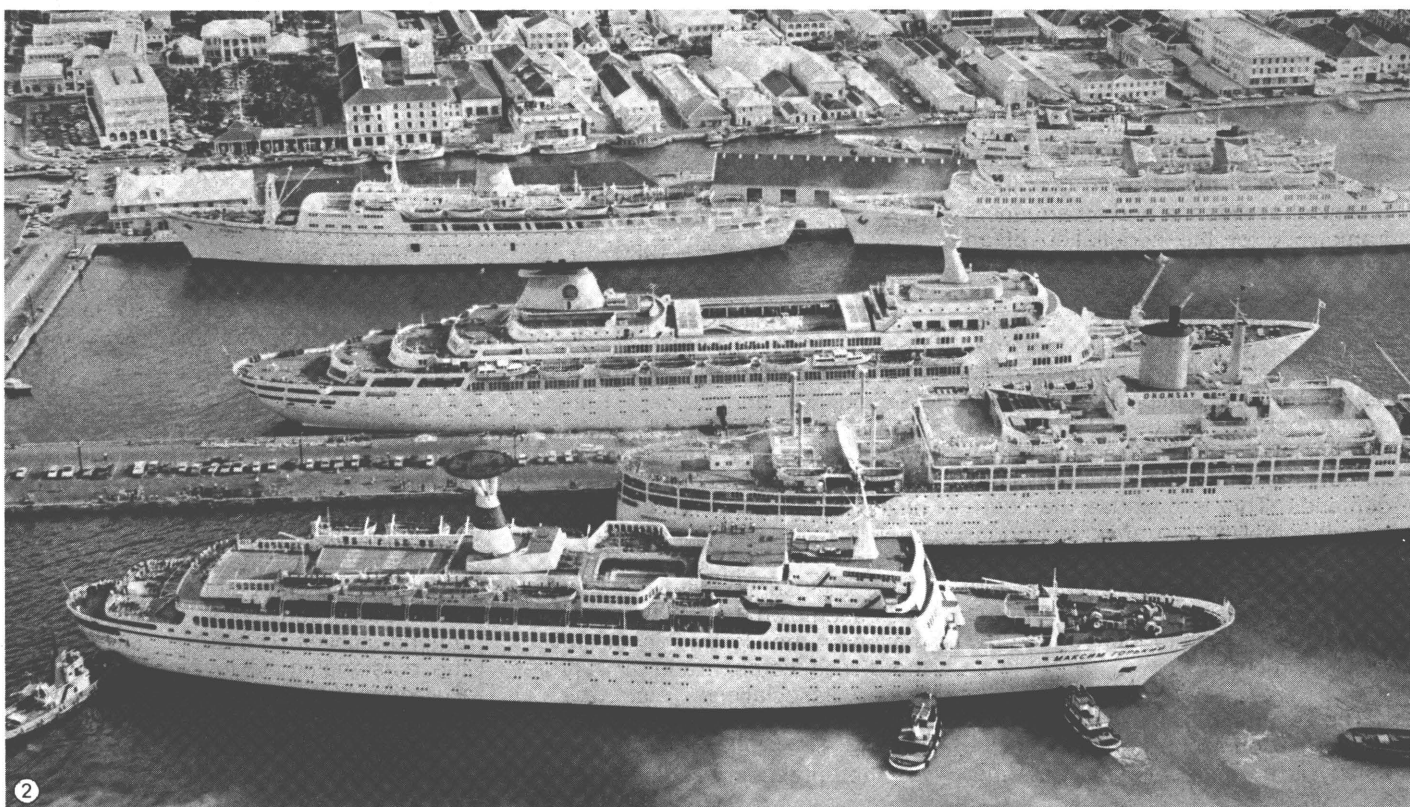
However, many new common rules and regulations are likely to be introduced in the future that are foreign to the European Community's aims.

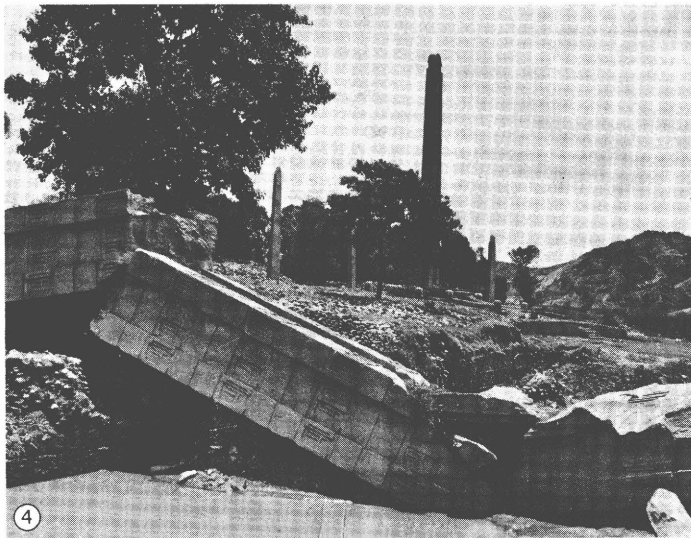
It is therefore a good idea to have a detailed study of the Court: how it is made up, its competence over common legal regulations and disputes among officials. The author notes that the outstanding achievements of the European Court of Justice in case law have provided the Benelux Court with the answers to many questions. This work is also published in Dutch. ○

Tourism in the ACP states

The majority of tourists visiting the ACP countries use air transport (photo 1) or boat (photo 2, cruise ships in Nassau harbour, the Bahamas). If some tourists prefer a beach resort (photo 3 Le Morne beach in Mauritius), others find other things of interest such as archeological sites (photo 4, Axum in

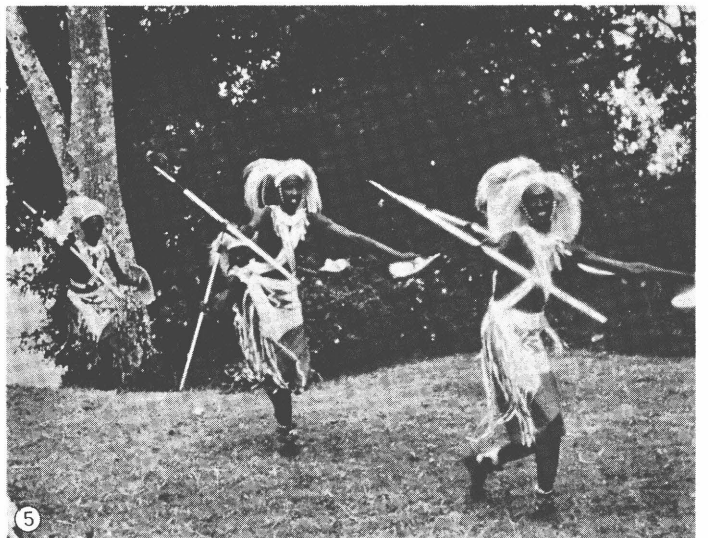
Ethiopia, ancient capital of the Queen of Sheba); traditional dancing (photo 5, Ntore dancers at Goma in Zaire); crafts (photos 6 and 7, objects in wood and ivory from the Gambia); wildlife and flora (photo 8 a tolerant rhinoceros) and exotic cooking (photo 9 a traditional restaurant in the Gambia).



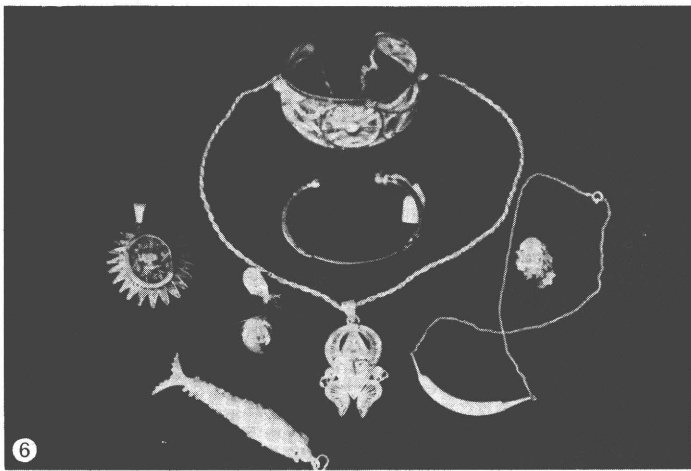


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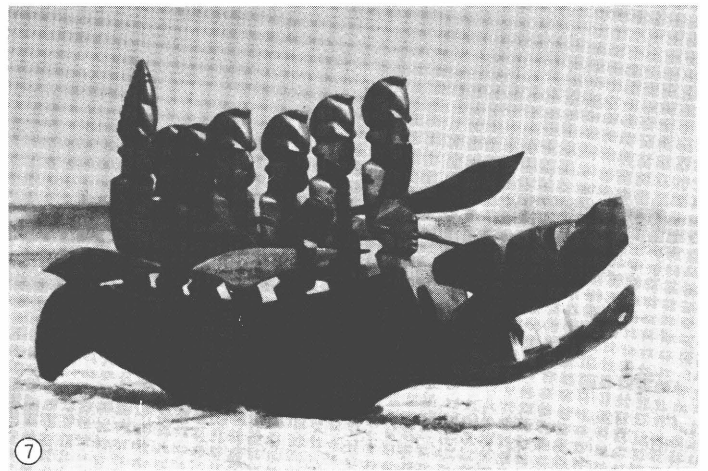
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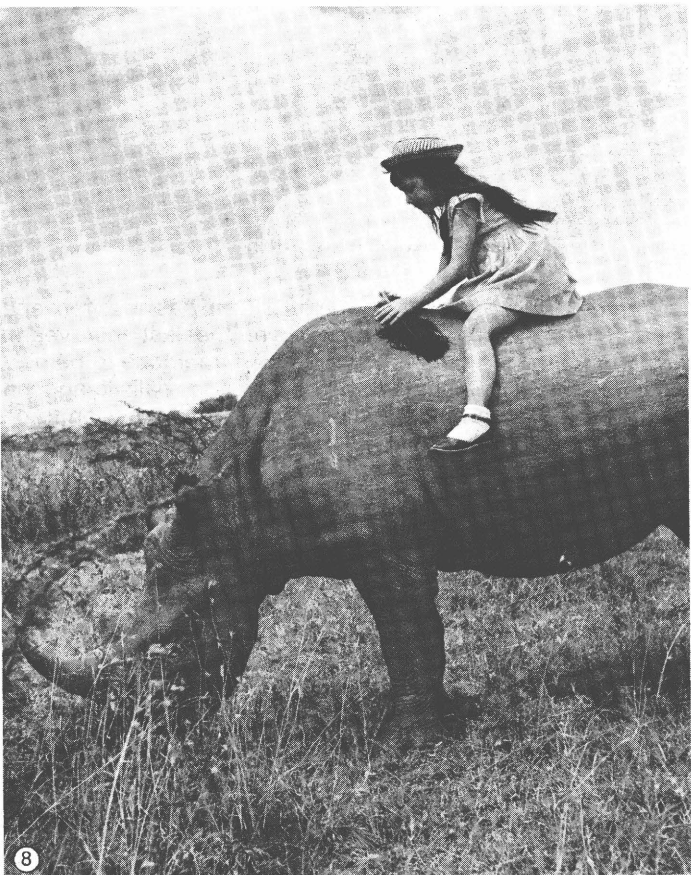
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AFRIQUE PHOTO



Aims of the World Tourism Conference

by Robert LONATI(*)

In a few weeks the curtain will go up on the big international conference on tourism that the WTO is holding in Manila to throw fresh light on the holiday trade.

On 27 September, President Marcos of the Philippines, accompanied by Madame Marcos, will declare the conference open. Delegates can then discuss and define what tourism really means in our modern national and international societies, showing how far the individual countries themselves are responsible and saying what measures could reasonably be recommended to create the conditions whereby people can use the leisure time that labour laws make available to them for their greater fulfilment.

On the eve of an international event of this importance, ideas, positions and concepts are somewhat confused, as objectives are seen differently, usually in the light of tourist situations that are not strictly comparable. The reason for this is that, since the approach is a strictly economic one, values in the tourist trade are conditioned by profitability and by how much tourists contribute to the balance of payments.

The diversity of what are sometimes conflicting approaches is eloquent proof of how important it is in the modern world to cast fresh light on the tourist trade by advancing—let us say it—revolutionary concepts that will enable people really to benefit from their free time.

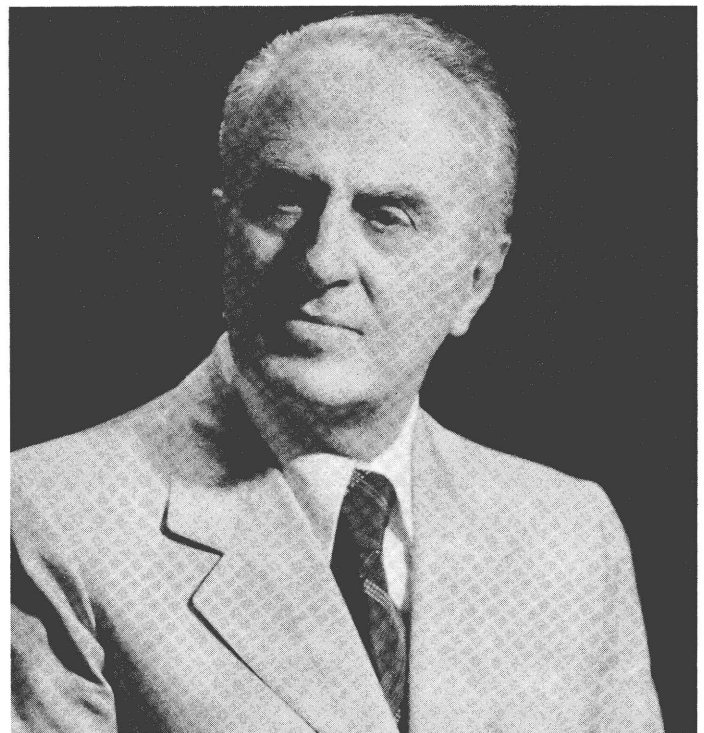
Manila will provide an excellent opportunity to define, in a reasonable, measured and circumspect manner, the real scope of tourism in society today.

And what will be the outcome of this exchange of views, ideas, convictions and opinions about the tourist trade? Any

forecast can only be based on assumptions, optimistic or pessimistic, and these will depend on the attitudes and, it must be realized, the hopes of the individual.

The outcome of the conference can in fact only be positive, as the basic argument is a proven fact—that tourism cannot return to outmoded positions and it can no longer be considered as a marginal factor in the socio-economic life of nations.

With so many conceptions to choose from, it is always wise to opt for compromise rather than intransigent confrontation. But any decisions the conference may take will vary in their legal scope according to what commitments the various countries involved are prepared to make.



Robert Lonati

Whatever the outcome, the spirit which has inspired and imbued work for the conference over the last four years, which has enabled targets to be defined, methods to be perfected, resource materials to be collected, a realistic agenda to be drawn up and high-quality papers for discussion to be produced, cannot be denied. No declaration can hold it up to question nor sweep it aside.

Over the last four years, the ideas up for discussion at Manila have found their way through a myriad of sometimes confused and contradictory opinions and have enabled apparently unassailable positions to be shown to be ill-founded and then revised.

Manila obviously cannot change our international tourist structures overnight. But, irreversibly and irresistibly, it will lay down guidelines for the future to inspire the authorities, travel operators and international, intergovernmental and professional organizations over the years, so that they may outline their tourist policies together and enable tourism to play its rightful role as a factor of peace, tolerance and comprehension among men and for all mankind.○

R.C.L.

(*) Secretary-general of the World Tourism Organization, Madrid (Spain).

The tourist trade: an important part of the economy

Man has always travelled, perhaps, but tourism is a relatively recent phenomenon and the word only appeared in a dictionary for the first time in 1811. After the industrial and political revolutions, freedom and productivity were established in the early 19th century and, as a result, businessmen began taking an interest in the organization of leisure-time travel.

In 1836, John Murray brought out the first modern tourist guide. In 1838, Stendhal wrote *Memoirs of a Tourist* and, in 1845, Thomas Cook opened the world's first travel agency.

The second largest commercial sector in the world⁽¹⁾

There are almost 31 000 travel agencies in the world, 533 of them in Africa, and there are about 2 500 tour operators in addition (92 in Africa). Together, they ferried 270 million international tourists, generating \$75 000 million, representing 5.5% of international trade, in 1979. If national tourist figures are also taken into account, the holiday trade accounted for 1 350 million journeys last year.

Tourism is second only to oil in international trade.

Although Europe and North America between them account for 85% of tourist arrivals in the world today and 80% of world tourist earnings, the developing countries have sound prospects in the sector. Regardless of the world economic recession, tourism (i.e. tourist arrivals) still expanded by 4% or 5% more in 1979 than it did during the previous year. The WTO's initial assessments of the 1980 season (a survey of tour operators, travel agents and airlines) suggests "poor to average" results. The growth rate may have been smaller than anticipated but growth it certainly was. It is low-income families in the west which are hardest hit by the economic crisis, but long-distance travellers, who are often bound for the developing countries and tend to be in the higher income brackets, are less affected. In 1979, Africa welcomed 5.3 million tourists (8% more than in 1978) and 13.8 million went to East Asia and the Pacific (an increase of 15%), but the growth rate in Europe was only around the 4% mark. Similarly, African tourist earnings have gone up by 20% and East Asian and Pacific tourist earnings by 25%, while the American figure is only 18.5% and the European one a mere 13.6%.

Tourists in Africa spent \$340 per head in 1979 (as against \$255 in Europe and \$323 in America), bringing that continent's total tourist income to \$1 800 million—or 2.4% of the world total. The African tourist trade provides jobs for almost 220 000 people—1.4 people per room, the world's highest rate (Europe 0.5, America 0.8, other developing countries 1.3).

As there are currently 8 million hotel rooms available in 130 countries across the world today, Africa accounts for 1.5% of world capacity.

(1) These figures from WTO are for 36 African countries.



The famous Chaland beach on the South Coast of Mauritius: An increased development of local tourism will necessitate the establishment of basic infrastructure

A better definition of African tourist possibilities

African tourist statistics are far from complete. Ousmane N'Diaye, Senegalese statistician at the WTO, says that there are problems with standards and terminology at all levels of data collection and processing. The WTO is trying to remedy this by running seminars, in particular in Dakar and Blantyre, and technical assistance missions.

Mr N'Diaye sums up the pros and cons of African tourist development as follows: "If the tourist trade had not been promising, we would already have ceased to develop it". Generally speaking, he feels, Africa should study and define its tourist product better, improve the services it offers and, above all, try to get better control over the prices of the various components.

Towards the development of internal tourism

In spite of a general shortage of information, the WTO stresses that more thorough investigation is needed to develop African tourism and its marketing in the future, but it suggests that what has motivated the tourist to go to Africa so far has been "business, family commitments, missions and meetings", rather than leisure-time, i.e. "pleasure, holidaymaking, health, study, religion and sport". But, in general not enough is known about the socio-cultural characteristics of tourists visiting the African continent.

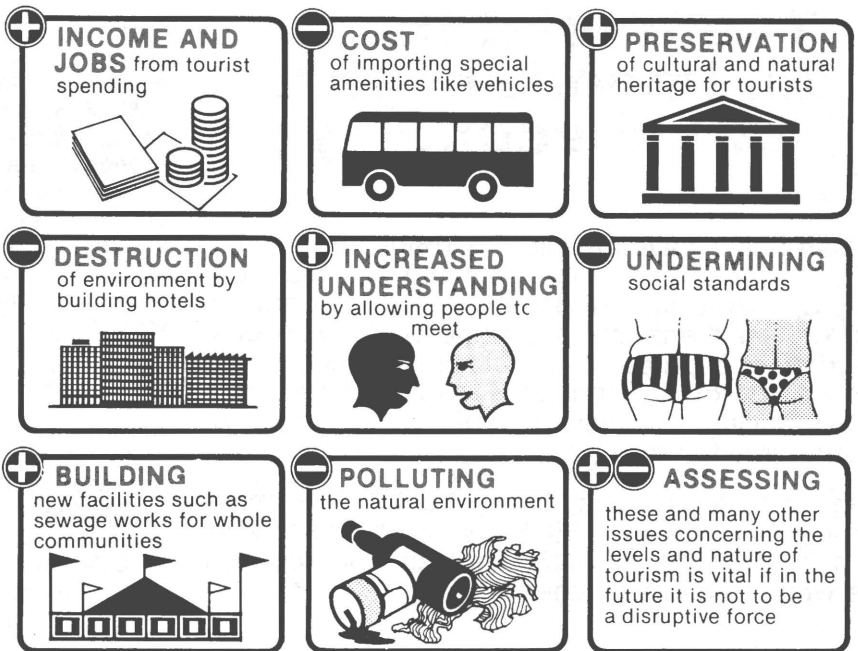
Peter Shackelford, WTO head of studies, said just how little tourism there was between the different regions of Africa.



Pollution of the atmosphere, noise and accidents are some of the negative aspects of booming tourism, provoked by paid holidays in western industrialized countries

COSTS AND BENEFITS OF TOURISM

Tourism can be attractive for developing countries. But there are social, economic and environmental disadvantages as well as advantages



In 1976, for example, only 12% of tourists in Africa came from other parts of the continent. Southern Asia (16%) apart, the rates of tourists travelling in their own region were much higher—59% in Asia and the Pacific, 67.5% in the Middle East, 85% in America and 86.5% in Europe. Not counting North Africa, intraregional tourism was, at 20-40%, greater.

Peter Shackelford thinks the situation facing the tour operators is rather like the situation facing the African cobbler—people don't wear shoes, so there is either a fantastic potential market or people don't want shoes at all. All in all, there is considerable scope to develop internal tourism in Africa, once the basic infrastructure is there.

Studies, in India in particular, have shown that man tends to travel regardless of what he earns. The development of this internal tourist trade is one aspect of the general economic policy and of tourism in general.

Either the drive to build luxury accommodation, five-stars or for charter tourists from the west, continues or provision has to be made for the locals, by building suitable accommodation and developing holiday leisure infrastructure for them.

The effect of paid holidays

As WTO technical attaché Robert Lanquar stressed: "The developing countries tend to be on the verge of the same kind of situation as Europe was facing in 1936 when the ILO adopted the first international agreement on paid holidays. This made national and gradually international travel available to larger sections of the population rather than just to the privileged classes as before. In 1977, 523 million wage-earners got paid holidays, so they and their families made more than 1 000 million potential tourists.

Obviously most of them live in Europe (263 million) and America (145 million) and few of them live in the rest of the world, which is mainly developing countries (5 million in the Middle East, 20 million in Africa, 30 million in southern Asia and the Pacific).

As it did in Europe, national tourism in Africa will obviously start by being a social phenomenon and develop from there. Let us not forget that the holiday village formula along Mediterranean Club lines, which is now for a certain élite, began as a kind of social holiday arrangement and was only capitalized on later.

Ultimately, greater recognition of the right to time off in the developing countries could lead to a change in tourist patterns. Saturation, particularly in Europe and America, will send an increasing number of tourists to the developing countries, because not even an economic crisis can break the holiday habit.

The only change will be in the size and structure of the spending and so there will be a need for the developing countries to keep a check on the costs of the various components (the travel agency, the transport, the accommodation etc) of what they offer.

Paying attention to the social side

Anti-tourist development slogans in the developing countries, along the lines of: "Tourism is a form of neocolonialism which leads to economic dependence", or "Tourism destroys the social-ecological structures of the developing countries", are not without their grain of truth, although they certainly need to be more specific.

Let us first remember that, although most people in the industrialized countries prefer not to be labelled tourists, most of them like travelling and many surveys have shown that if westerners are free to organize their time with no financial or any other constraints, travel is often at the top of their lists.

According to Robert Lanquer, the developing countries can choose their own tourists, so obviously the operators have tremendous responsibility when it comes to informing, educating even, their long-distance tourists to avoid any cultural clash between westerners in search of authenticity and adventure and natives in the developing countries forced to play the part of primitives.

Although the developing countries tend to criticize the tourist picture presented of them, they themselves have to get the facts put over better. And neither should we forget, as the WTO has discovered, that this image of the developing coun-



The meeting of two worlds. A curious Japanese tourist photographing a Masai woman. The latter tough goes about her business unconcerned



A Canadian tourist as guest of a Bahamian family. Friendly meetings of this nature allow a visitor to come out of his tourist ghetto

tries goes hand in hand with all the political/economic information gathered on these countries. In Africa, for example, the countries with the most flourishing tourist trade will often be those with the most open political and economic structures.

Socially speaking, there are obviously negative sides to the tourist trade. National culture may suffer, works of art may be pillaged and free-spending tourists may generate a feeling of inferiority. The tourists' desire for the exotic is of course gratified by reproductions of works of art and traditional dancing that is organized on request.

But who is the dupe? The tourist drinking in the not so authentic, local colour, or the people who put on the show?

As there is still a lot we need to know about this essential aspect of the developing countries, the WTO is starting on a comprehensive study of it. A genuine search for authenticity may be successful among the local population. At Nossibé in Ivory Coast and in Basse Casamance in Senegal, for example, villagers offer tourists rudimentary accommodation with maximum assimilation by the local population.

Other local innovations include a "people to people" programme in the Bahamas and a "meet the people" campaign in Jamaica, both of which enable the foreigner to escape from the usual tourist ghetto and get to grips with the real way of life of the host country.

Reconciling the commercial approach, the desire to get-away from it all and the preservation of the local customs and environment is no sinecure. The developing countries tend to be able to reap the benefit of the good and bad experience of certain countries in the west, in particular Spain and Italy, and they should plan out just what they want and just what they do not want as far as tourist development goes.

The freedom of movement and residence provided by Article 13 of the declaration of human rights was perhaps not intended to encourage the tourist sector, but it helps to do so nonetheless, as ultimately, tourism is perhaps simply another way of expressing a desire for freedom. ○

ROGER DE BACKER

International tourism a positive factor in the development of Third World countries? (*)

International tourism has developed enormously in recent years. Factors responsible for this growth include: the increase in real income, the extension of holiday and leisure time, better transport facilities, the introduction of cheap charter flights and package tours, the extension of higher education and the curiosity to see the world with one's own eyes, as a result of the influence of television and mass media in general.

Noticeable good effects

International tourism has the following effects on the economy of the host country. It is a foreign exchange earner, an important source of employment with all its paraphernalia of hotels, restaurants, travel agencies, entertainment centres etc. It can stimulate local agriculture and other sectors which otherwise would be non-viable and provide additional sources of revenue for the public authorities from the various forms of taxation generated by these activities.

Over the past 10 years, the number of international tourists has quadrupled and cash receipts have more than quintupled. The developing countries share of these receipts was small at around 20%. But with tourism seemingly unaffected by the energy crisis and by recession in some of the industrialized countries, the developing world's share of cash receipts in the coming years will rise, given its comparative advantage of sea, sun, sand, exoticism, safaris and folklore.

But the tourist industry is not all that a simple cash yielding undertaking. There is virtually in every aspect of it, factors that could prevent it from making positive contributions to the development process of the Third World.

Guarding against harmful factors

Tourism, first of all, requires careful planning. The drafting and execution of a tourist project is complicated. Apart from the provision of the necessary infrastructure, a choice has to be made between different kinds of tourism: holiday-tourism, business-tourism, conference-tourism, luxury-tourism and mass-tourism. The choice of an ill suited type can have catastrophic results.

The would-be resort must spend on infrastructure. For many countries of the Third World, this means foreign borrowing. Afterwards the tourist may come or they may not.

(*) Article by Didier Van Houts of the college for developing countries (Antwerp) and Augustine Oyowe.

Foreign capital

Foreign private capital seems to assure the success of tourist projects, but there is always the involvement of self-interest. Finance companies discriminate, favouring one project against another and this does not allow for integrated planning. Their aim is to make profits and take them away.

It is not ideal that the profits should leave the country but the international tourist industry, it must be admitted, does not brim over with enormous profit margins. It will be much more advantageous to have joint-ventures involving national tourist corporations and private investors.

A division of tasks can be very profitable for all concerned, but it may not be so if the public authorities have to invest in the infrastructure, and the private foreign companies in profitable hotel business or other service industries allied to tourism.

A country has to give investment incentives to attract foreign capital, but if foreign capital has to come in small quantities to have maximal returns, that seems not a recommendable policy.

The allocation of financial assistance to developing countries for tourist projects by international organizations is now only beginning to happen. Important organizations such as the World Bank and its affiliate the IDA used to be interested only in infrastructure, which, clearly, favoured tourism. However, there has been noticeable active support for the industry by these organizations in recent years and this is a welcome change.

Safer than raw materials

The contribution of international tourism to the balance of trade of the Third World cannot be underestimated. Because their traditional export products suffer unfavourable terms of trade, and are concentrated on one or two products, it can,



The number of international tourist has quadrupled over the past 10 years and cash receipts have more than quintupled

argued that tourism, not involving any of these disadvantages, provides them with the best means for development. However, the industry does not escape one of the weak points of raw materials. Not only the demand, but also a large part of the supply factor (finance, equipment and know-how) has to come from industrialized countries—precisely from the countries to which their raw materials go. This dependence does not augur well for the overall economic and political strategy of the host country. It is a problem that all developing countries involved in tourism have to live with. However, it would be up to them to ensure that internal political and social unrest does not scare visitors away, for the more tourism flourishes the more they would acquire its advantages. Indigenous businessmen should be encouraged to invest in tourism and foreign investors to train local workers as part of the world wide campaign for the transfer of technology.

The socio-cultural imperative

Tourists who spend 10 or 20 days in a foreign country do not behave as they normally do. They live more luxuriously and extravagantly and look down upon the host country and its society with a certain air of superiority. This invariably leads to tension, both with the tourists and with the foreign staff, but the most devastating effect is that the eccentric and tantalizing behaviour of tourists ends up influencing the local people who gradually acquire foreign tastes. This leads to demand for luxury goods which are imported from the developed countries.

The influence of tourism on local craftsmanship has been a subject of increasing debate. No doubt, the artisanal sector prospers but local craftsmen, it has been noticed, are soon forced to abandon their labours of love for quick and crude works, thus cheapening and bastardizing their culture.

Solution to some of these problems can be found in the psychological preparation of both the tourists and the inhabitants. It has been suggested in some quarters that the best way of neutralizing these bad effects is by reserving areas for tourists but that obviously will reduce the attractiveness of a country. The onus of informing the tourists on the need to respect their host countries devolves upon the national tourist bureaux abroad. It is just simply not enough to distribute brochures with beautiful pictures. With regards to the inhabitants of the host countries, it is up to their governments to carry out appropriate educational programmes.

There is a need to inform the local people, that international tourism can be beneficial to the development of their country under certain circumstances. And it certainly would not be out of place for countries heavily dependent on tourism to introduce the subject on school curriculums. It is, of course, easier for countries which have already attained very high levels of education to work towards meeting these conditions but when one thinks of the serious damage that can be done by international tourism in countries where illiteracy prevails, then the earlier such education programmes are introduced, the better.

With regard to the training of manpower, there appears to be some misunderstanding. There is a tendency to believe that, because tourism is labour intensive, it needs few trained people and that the investments per labour force is therefore relatively low. Recent investigations prove otherwise. In Tunisia, it was established that more than 50% of the labour force are trained. The training of manpower is of capital importance if bottlenecks are to be avoided when tourism grows faster than expected, as it has in some developing countries. ○

D.V.H and AO

What would tourism be without paid holidays? (*)

Modern tourism came into being in the second half of the nineteenth century hand in hand with the development of the industrialized societies of western Europe and North America and may therefore be regarded as a product of civilization. Though an accurate statistical analysis of the history of tourism can reach no farther back than half a century, the scattered figures published from 1840 on, together with official statements, comments by writers, and the travel guides on sale at the time, point to a direct relation between the birth of those societies and the expansion of tourist movements.

Luxury tourism in the 1930s

Nevertheless, the first figures recorded between 1930 and 1935 bear no proportion to those which have been recorded since the 1950s. Up to the early 1930s, tourism was essentially a luxury commodity within the reach of only a privileged few having both plenty of free time and considerable purchasing power. Admittedly, such tourism had a charm all its own, associated as it was (and still is in the public mind) with elegant hotels, such trains as the Orient Express, and blue riband transatlantic liners like the Queen Mary or Normandie. It is also true that certain socio-educational associations, which recruited members from among the embryonic and working classes, organized excursions, holiday camps, family rest and holiday homes, etc., but only a very few people benefited from such activities at the time.

First ILO Convention on paid holidays

Modern tourism got really under way in 1936 when, at the instigation of its trade union representatives, the International Labour Organisation adopted the first Convention that was to bolster serious movements to promote paid holidays and, therefore, tourism. That convention on paid holidays was an innovation well ahead of the time, when only fourteen countries, mostly European, had enacted general legislation on paid holidays. Immediately afterwards, tourism experienced an extraordinary growth. And the temporary halt brought about by the Second World War seems, in retrospect, only to have enhanced people's awareness of their needs for holidays and leisure activities.

At the same time, employers realized that paid holidays had not affected industrial production or business. And yet, when paid holidays were first introduced, protests were raised that such a measure was scandalous; one French newspaper in 1936 wrote, for instance, that Parisian workers were taking over the smartest area of Nice as a picnic ground. Later on, however, employers agreed to the third week, and then the fourth, of paid holidays. Today it is recognized that in western Europe the fifth week, even from the standpoint of output, may also be regarded as a productive

(*) From WTO document—World Travel No 145.

investment, and indeed Sweden recently enacted legislation introducing this additional week of paid holidays.

Figures on domestic and international tourism in the world, over the past thirty years, show a series of plateaux. Each time additional holidays were granted a higher plateau was attained. And it is only when these plateaux have been reached that economic growth, and such other factors as urbanization(1) and population growth, have fostered the development of tourism.

Universal recognition of the right to paid holidays

Now that the right to paid holidays is universally recognized, the trend is to grant longer holiday periods. The legal minimum in many countries at present is three weeks. Worldwide, more than 500 million wage-earners are entitled to paid holidays: roughly half in Europe, slightly less than 30 per cent in the Americas, and the rest in Asia and the Pacific (approximately 12 per cent), South Asia (6 per cent) and the Middle East (less than 1 per cent). The main potential for tourism markets is made up of wage-earners and their families (nearly 2 000 million persons).

As a result of economic and social changes, specially industrialization and the rationalization of the tertiary sector, the number of wage-earners in the world is bound to grow even faster than before.

Simultaneously with this trend, wage-earners are bound to have increasingly longer holidays as employment policies institute shorter weekly and yearly working hours as a result of technological advances that tend to do away with more jobs than they create. Without such policies, there would be too much work for some and unemployment for others.

Employment may thus be affected by tourism in two ways. In itself, tourism creates jobs, and not only marginal jobs but jobs that are more and more essential to the national economy. At the same time, because of its social and cultural aspects, tourism encourages people to work less so as to be able to take advantage of the benefits of culture, nature and

human contacts. These factors point to a promising future for the holiday and travel market.

Towards equal access to tourism

While labour legislation on the subject is essential for ensuring that people are able to leave on holidays, such legislation must continue to be supplemented by adequate measures for the benefit especially of those in the lower income brackets. These people must often forgo holidays because of their extremely limited purchasing power. Economic inequality is thus compounded by social inequality. States therefore need to face up to their social responsibility for tourism.

The question of the facilities and incentives that should accompany paid holidays raises the problem of government-subsidized tourism. Facilities may take various forms. To enable beneficiaries to profit thoroughly from their paid holidays, governments should establish reception and accommodation facilities and improve means of transport and communication. They should also offer direct aid to potential holiday makers in the form of fare reductions and encourage associations to set up holiday savings. Lastly, governments should take a more active part than they do at present in financing public amenities in order to ensure, through sound and reasonable subsidies, that their management is not tied down by heavy loans and, through financial aid to individuals, that all segments of the population, including those earning the least, are able to enjoy holidays.

A promising future

The future therefore is promising for tourism. This activity has become such an important human need that, to mention only one of the rather surprising findings made by recent sociological surveys, for a growing number of citizens of the developed nations travel and holidays are one of the very last items on which they would be willing to cut down.

This psychological and social fact should be reflected by concrete and tangible action: policies truly geared to the development of holidays and tourism. ○

(1) It is the largest urban populations that need paid holidays.



Getting away from it all to the sun, sand and sea

Tapping Africa's tourism potential

by Kingsley DUBE(*)

Tourism is becoming an increasingly important foreign exchange earner in many African countries. In Egypt, the Gambia, the Ivory Coast, Kenya, Mauritius, Morocco, Senegal, Seychelles, Tunisia and Zimbabwe it has become one of the principal sources of much needed foreign revenue. There is no doubt that when the main obstacles are finally removed and Africa's vast tourism potential gets fully tapped in the near future, it will be a very important continent-wide contribution towards the strengthening of national economies.

An overall survey of tourism in Africa

World tourism in 1963 recorded 460 million domestic and international arrivals and by 1978 the figure had jumped to approximately 1 200 million, having been increasing at 9% annually—2% more than the average annual growth rate of international trade. However, the African region realized only 3 million visitors in 1963 and an estimated 6.2 million in 1978, representing an annual growth rate of 7% for the region. But while in 1963 Africa's world share of the tourism market represented 0.7%, in 1978 it accounted for only 0.5% of the world total.

North Africa attracts the lion's share of tourists to Africa with 62%; the Eastern and Southern African subregion claims 22%; West Africa 11% and Central Africa only 5%.

Of the world's impressive earnings of 230 000 million US dollars in 1978, Africa's estimated share was only 2 000 million dollars, or only 0.9%. But despite the importance of its current foreign exchange receipts from tourism, Africa has still a long way to go to catch up with other regions regarding tourism benefits.

There is hardly any domestic or intra-regional tourism in Africa and 65% of the expenditure incurred by tourists in transport and other service charges remain within the tourist generating countries, leaving only 35% for Africa. The multiplier effect of tourist expenditure in the continent is very small. This is a challenge to governments to implement better tourism development policies for greater economic benefits.

Africa's appeal to tourists

Africa offers a wide variety of tourist attractions such as extended and roomy ocean beaches, ideal for swimming and other water sports; unique wildlife; vast tracts of unspoiled nature ranging from tropical forests, magnificent waterfalls, beautiful lakes and rivers; unusually scenic mountains; some new rapidly growing cities; climatic conditions in some parts particularly conducive to holidaying; traditional ways of life

preserved in local customs; rich and varied handicrafts and other colourful products depicting or illustrative of native arts and lifestyles, and the authentic if unsophisticated but friendly attitude of many in the African population. However, all these attractions are still enjoyed by only few outsiders, either very rich visitors in quest of exoticism or adventurous people in search of new challenges.

But the high costs to tourists of transport and accommodation, the lack of much of required modern infrastructure, and in some parts of the continent, acute conditions of underdevelopment and poverty can be scenes which many potential Africa-bound tourists would not like to be confronted with.

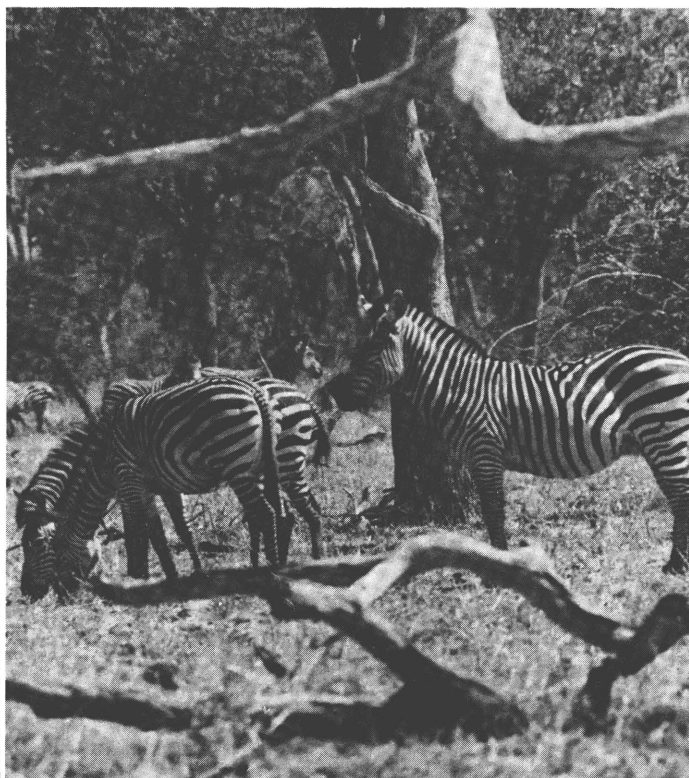
These are impediments to tourism which governments should try to overcome. Good publicity campaigns and other promotion exercises in tourist generating countries will go a long way in attracting tourists to African countries. In parts of the world, Africa is still regarded as the dark continent which is too wild, disease ridden, politically unstable and therefore unsafe to visit. It is a question of educating the outside public about Africa's real assets, attractions and potentialities.

Major constraints and prospects

Many of the constraints hindering international trade expansion are also adversely affecting the tourism sector. In this connection transport always plays critical role. Africa's means of transport and communications are still very inadequate, costly and not quite efficient, therefore tourist mobility is not facilitated. As already stated, the accommodation is also inadequate. Air travel costs also are very high between tourist generating countries and Africa. This is unfortunate as

(*) Head of the information service of the Economic Commission for Africa—Addis Ababa, Ethiopia.

Wild animals are a major attraction for tourists in Africa



ZAMBIA INFORMATION

80% of foreign holiday makers to Africa use air transport and are only middle income earners. Intra-African air services and connections are insufficient, and good roads are still the exception rather than the rule in most parts of the continent. Immigration and customs procedures in many countries need simplification and in some cases concerned, local staff need to acquire modern industrial habits or ways of handling tourists and goods.

An improvement is required in tourism marketing knowhow, including planning and coordination. The UN transport and communications decade in Africa (1978-1988), launched on recommendations of the ECA, expects to result in many improvements including the stabilization of transport costs, and standardization of customs and immigration formalities. These will encourage the flow of tourists into the continent in the long term.

The present major tourist destinations in Africa have meaningful tourist policies, developed programmes and measures, so it can be said that the removal of obstacles to development in general also fosters tourism development. Some of Zimbabwe's excellent tourist facilities were damaged during the guerrilla war but repair work is expected to be rapid during the next two years, otherwise the country has the required tourism infrastructure as well as a variety of attractions.

The advantages of tourism in Africa

Among the socio-economic effects of tourism are the availability of additional foreign exchange earnings, which can go a long way towards the expansion of social services and employment avenues; the improvement of infrastructure, and even the establishment and growth of new settlements and human activities in formerly uninhabited areas frequented by tourists. Those claiming that the economic gains from tourism are virtually nil are probably not acquainted with countries visited by large number of tourists because of what the latter are offered, in terms of the scale and scope of attractions and provision of facilities. North, east and southern Africa have a great deal to offer tourists under safe and comfortable conditions.

The outlook for intra-African cooperation in tourism

While intra-regional tourism accounts for more than 86% in Europe, 85% in America, 67% in the Middle East, 58% in Asia and the Pacific, in Africa it is only 12%. The most intra-regional tourism takes place in West Africa. The Ivory Coast and Senegal have developed tourism infrastructure and claim 15% of accommodation arrivals and 10% of bed nights.

The Sahel countries claim 20-25% of the hotel arrivals. Ghana boasts 47% frontier arrivals, Benin and Togo 50%. In East Africa interregional tourism accounted for 33 per cent of frontier arrivals in Kenya in 1975. Generally it is virtually impossible in inter-regional tourism at present to identify the share taken by African nationals and that taken by foreign residents.

As in other continents growth of inter-regional tourism will go hand in hand with economic development and integration, rising per capita incomes, improved transport and accommodation infrastructure and a relative reduction in transport costs and other impediments. The extension and improvement of roads and an increase in the number of private car owners; improved air links and more frequent flights would certainly generate intra-African tourism.



KENYA INFORMATION

Preparing for a safari in Nairobi

There is also no doubt that political stability, an increase in intra-African trade and the achievement of stronger economies among countries of the continent would result in a higher proportion of the population managing to travel around to know their continent. Self-reliance and self-sustained economic development conditions throughout the African region will have to be attained before the level of African inter-regional tourism can substantially rise.

The African regional conference on tourism organized by the WTO in Banjul (The Gambia) in October 1978 examined the cost benefits of tourism; the planning for its development, its marketing and promotion; air transport and intercontinental tourism, as well as inter-regional tourism.

The conference, whose primary objective was to formulate guidelines for tourism development in Africa, recommended that WTO in all the African countries concerned should undertake specific and comprehensive studies of air transport fares and routes in Africa; provide detailed analyses of pressures and cross-currents responsible for the African region's meagre share in the world tourism industry; examine schedules and timing of airlines operating within Africa and recommend how best these can be reorganized for the benefit of the continent; produce a detailed cost benefit study of African tourism for submission at the next African regional conference on tourism and economic development. Delegates of thirty participating countries in the conference affirmed the importance of tourism to the continents economic development.

The ECA recognizes intra-African tourism as a potentially powerful tool for achieving African collective self-reliance as well as its tremendous implications for the African economy. Its development would complement the present North-South tourist industry and vice versa. The ECA therefore sees it as its responsibility to assist member states with the development of policies and measures for the enhancement of their tourism industry as well as evolve a continental approach to its future development. ○ K.D.

The role of tourism in Caribbean development⁽¹⁾

by Jean S. HOLDER^(*)

There is no single factor more important for the socio-economic development of the Caribbean than that it should escape the straight-jacket of the balance of payments crises which, are a major cause of unemployment and social unrest. Put another way, the Caribbean has to earn enough foreign exchange to pay for its imported life style.

Given its colonial inheritance and its existing human and natural resources, the Caribbean can only develop quickly by importing the factors of development. The creation of largely indigenous factors of socio-economic development, though desirable, is possible only for some of the states and even then constitutes very much a long term prospect. Such efforts where practicable must proceed in parallel. However given the people's aspirations which are very similar to those of their northern neighbour, the USA, the world's largest consumer society, the mechanisms for earning the foreign exchange have to be quick, effective and capable of earning in large volume, if Caribbean development is to stay ahead of popular dissatisfaction and social unrest. The option to seeking development through open economies with a high level of imports, is to have closed economies with rigid controls which could lead to loss of democracy and freedom.

The Caribbean's comparative advantage in tourism and the world's propensity to travel (there being some 500 million people now on paid holidays), means that tourism has the greatest potential to earn the foreign exchange the Caribbean needs. In some of the states, tourism can do the job along with other export sectors. In several others it will be vitually alone. There are no other prospects.

Observed facts

Three interesting phenomena about tourism have been observed.

First: In the countries where tourism comprises over 70% of the GNP, where there is little else besides tourism and banking, and where the level of imports is extraordinarily high, the standard of living and the per capita income are highest, for example, in Bermuda, the Bahamas, and the Cayman Islands.

Second: In the case of two Caribbean countries with diversified economies and developed tourist sectors, Barbados and Jamaica, the good or bad performance of tourism seemed to have made a considerable difference in coping or not coping with the balance of payments crises, particularly in the period 1974 to 1977. Contrast the success story of Barbados with the difficulties of Jamaica. Between 1974 and 1977 the number of stay-over visitors to Barbados rose by



Jean Holder

16.7%. During the same period in Jamaica, it fell by 38.8%. Jamaica fortunately made an extraordinary recovery in 1978 of 44.1% over the 1977 figure, with strong growth continuing into 1979. The jump in Jamaica's tourists from 287 000 in 1977 to 533 000 in 1978 enabled Jamaica to double foreign exchange from tourism—from J \$101 million in 1977 to J \$224 million in 1978. Guyana, with its serious balance of payments crises, has no tourism sector at all. Of course both Jamaica and Guyana have bauxite to export. The facts are, however, that the prices for export commodities rise and fall according to market demand and they are liable to suffer from protection problems and other barriers to trade in the markets of developed countries. In contrast, tourism prices tend to go ever upward and it is a great deal more difficult for western developed countries to prevent their citizens from going to the Caribbean than it is for them to set up barriers against Caribbean exports.

Of course it might be argued that though tourism prices rise, the actual number of tourists might fall for a variety of reasons. It is often the case, however, that circumstances, such as a recession in the developed countries, which might cause tourist numbers to fall, often have an equally deleterious effect on all the usual export sectors of the Third World. Finally, if any country, for political reasons, curbs its people from visiting a particular destination, that destination, if it has the dynamism, can vigorously explore alternative markets more easily and quickly than if it were seeking alternative buyers for the standard Caribbean exports such as sugar and bananas, garments or furniture.

Third: In small, lesser developed Caribbean islands, where the tourism sector has shown dramatic growth over the period 1970 to 1978, for example, the economic performance has far surpassed that of those countries where no such growth has taken place. Compare the success stories of St. Lucia and Aruba with the lesser performance of Antigua and St. Kitts-Nevis. Between the period 1970 to 1978, Antigua's tourist arrivals grew by only 21.34% compared with Aruba's 118.44% while St. Kitts-Nevis's figures grew by 50.19% as compared with St. Lucia's 238.65%.

(1) Edited extracts of a paper presented at the third annual Caribbean conference on trade, investment and development in November 1979 in Miami, Florida.

(*) Executive director of the Caribbean tourist research and development Centre.

Tourism and other sectors

Wherever one looks therefore, tourism seems to have made the difference between success and failure, between going into a balance of payments slide and keeping one's head above water. Sometimes it has been tourism alone and in other cases, tourism with other sectors helping to earn the foreign exchange. The ideal is for a balanced and diversified economy, avoiding over dependence on any one sector. Barbados' foreign exchange earnings in 1978 were distributed as follows: tourism US \$135 million, agriculture US \$26.5 million, and manufacturing, US \$66 million. Barbados' tourism is therefore already earning more foreign exchange than both the other sectors put together and this gap will widen considerably in the next five years. Apart from its earning capacity, tourism cuts across several economic sectors and this should be considered as complementary rather than as competition with other sectors. It has widened the local market for agricultural products and for manufactured goods most especially furniture and building materials for hotels. Tourism also tends to pressurize local producers to raise the quality of their products to the benefit of the population.

Caribbean options

Many Caribbean islands do not have the kind of land and other related resources required for agricultural development for the production of food. This is particularly true of Aruba, Bonaire, British Virgin Islands and the Turks and Caicos Islands. For those islands with an agricultural base, there is still the need to strike a balance between land allocated for the production of domestic food requirements and for the cultivation of export crops. Many of the islands have tried and are still trying to develop light industries with more or less success. The manufacture of garments is a good example. But such exports have often run into as much difficulty with quota restrictions in the Caricom Community as in foreign markets and that problem remains to be solved. Furthermore, several of these industries import inflation with their basic raw materials, and within a protected home market, produce at ever rising prices for the local consumer. Heavy industries such as steel mills, cement plants, paper pulp and petrochemicals have been located in very few islands, like Trinidad and Tobago, Jamaica, Puerto Rico, the Dominican Republic and to some extent, in Barbados. The track record so far has been disappointing with joint multi-island heavy industrial projects running into difficulty from the beginning.

With regard to energy resources, every Caribbean island lives in hope of finding oil but even if it is in the ground, getting it out lies in the hands of the multinational corporations.

Chronic importer

For a long time to come, the Caribbean will remain an importer of goods and services, fuel and food. Some of the countries, like Dominica, Belize and Guyana, it should be noted, have fertile soils and can grow enough food for the entire region, but until this happens, the Caribbean will continue to lose foreign exchange on imports. The food import bill of the 12 member states of Caricom, for example, is estimated at US \$500 million annually.

The dire economic situation has precipitated unrest in most countries and this, no doubt, is affecting tourism, but it must not detract from the fact that the industry has continued to earn records sums. In 1978 tourism earned approximately

US \$17 000 million for the Caribbean, including the Bahamas.

Tourism's contribution to employment

Tourism's contribution to employment has been significant. The Caribbean (excluding Cuba) currently has 933 hotels for international tourism with approximately 58 962 rooms. This sector alone employs directly 54 000 to 56 000 persons.

Sectors, like restaurants, ground, sea and air transport, travel agencies, water sports, advertising and marketing agencies, and a host of other allied activities like road, ports and airport constructions play their part.

Tourism's prospects

It is predicted that a world recession will begin this year, as a result of inflation, and spiralling oil prices. It is also predicted that recovery will be difficult and longer than hoped for. In these circumstances, what are the prospects for tourism? Tourism from North America will still continue to rise at about 6% per annum for the next five years, and there will be much greater growth from Europe, 10% to 13%, where the market is, as yet, hardly tapped. Tourism has tended to be less responsive to recessions in the developed world than has other traditional Third World exports. Paid off, laid off, north American workers have been known to take a holiday with their severance pay. The growth in European business which is largely summer traffic has already begun to attack the seasonality problem, which, for the past two years, has disappeared in the Bahamas and Barbados. Fuel shortages in the USA are likely in the short-term to cause a drop in US road traffic but increase air vacations to the Caribbean. Advanced airline technology has reduced the cost of air travel in the face of rising fuel costs.

Tourism and investment

A successful tourism sector quickly leads to new investment. There is still supply capacity left unfilled in the small off-line destinations. There is also considerable possibilities for investment in tourism facilities other than hotels and in



Wind surfing in Barbados

tourism attractions. In the islands with a highly developed tourist industry, the rooms have been full throughout 1979 and there are beginning to be bed constraints. For the future, a planned growth of tourism is needed. There is scope for investment in new hotels, in extension and/or upgrading of existing properties. A fortune awaits the creative entrepreneur who finds a safe and quick method of sea transport between the islands that is, other means of transport rather than the cruise ships.

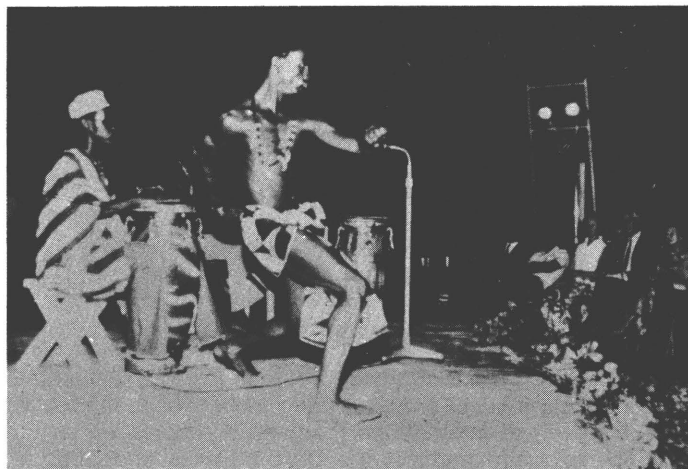
Optimism about tourism

This optimism about Caribbean tourism prospects vis-à-vis other sectors is based on some of the advantages which it clearly has as a product over almost any other product the Caribbean can mine, grow, or manufacture.

First of all, the product is good. Caribbean tourism is competitive with all and surpasses most in any part of the world. Rarely are skies bluer, waters warmer and more limpid, sands finer and whiter and air cleaner in a green environment.

Secondly, the demand is there. The demand for Caribbean products exists and can easily be expanded. In fact the only constraints are those of size, supply factors, social considerations, and insufficient regional co-ordination and co-operation.

Thirdly, a great deal of the capital investment is already in place. This is truer of some islands than of others. But, the existing constraints to growth in the islands which are lesser developed touristically are all surmountable given human



Tourists watch with rapt attention to a Caribbean folk concert

resources and finance. The existence of large capital investment in superstructure and infrastructure renders each new unit of investment in hotel plant more effective and profitable since it benefits from the existing basic structures.

Fourthly, the necessary tourism technology is either available or can become so. Expatriate management needs very little inducement to come to the Caribbean and training is being given to indigenous people.

And finally the raw material for tourism are not depletable, as say fossil fuels and bauxite. Tourism resources do respond to conservation and preservation and are in fact enhanced thereby.

It must, however be pointed out that it is important for those in the industry, at whatever level, to remember that popular attitudes can be soured as much by a successful tourist industry which is unconcerned about the socio-cultural and environmental sensibilities of the community, as by a perception of the entire society that it is failing to achieve those economic goals which are in line with its aspirations. If tourism is to keep the Caribbean economically afloat the following conditions must be met:

- Stable socio-political conditions. Tourism can survive a change in ideology but not perpetual instability.

- A close monitoring by Caribbean governments and the private sector of the socio-cultural and environmental fabric of the Caribbean societies.

- New foreign and local investment and realistic levels of foreign aid for training of Caribbean human resources, superstructure, infrastructure and marketing. Foreign aid given a little at a time, increasing as the socio-political problems of the Caribbean escalate, will not achieve the desired ends. The Caribbean should be involved in determining their priorities for development. Aid giving countries, especially the USA continue to give tourism a very low priority for aid, although Caribbean countries are themselves putting out almost US \$60 million a year for tourism marketing alone.

- A regional approach to marketing Caribbean tourism which is complementary to national efforts. Every Caribbean must learn to be his brother's keeper and by multi-destinations marketing and creative transport arrangements increase the business in the lesser developed islands as well as in the more developed ones.

- The Caribbean also has to be active in the business of tour operating—in the generation of traffic to the Caribbean as well as increasing ownership and control of supply factors.

- Finally, tourism workers must be trained for upward mobility, and schemes developed for them to participate in ownership. For there can be no greater motivation to increasing productivity and therefore profit levels, than the prospect of sharing directly in those profits. ○ J.S.H.



Aruba's tourist arrivals grew by almost 120% between 1970 and 1978

Trends in Caribbean tourism

by Jane BELFON(*)

Caribbean(1) tourist arrivals represented an estimated 2.9% of world tourism arrivals during 1979. Despite the slow overall growth of international tourism in recent years, the Caribbean's main markets, the United States and Europe, have been growing strongly.

In the United States, departures to overseas destinations have developed steadily, given particular incentives of lower air fares in real terms and deregulation.

In Europe, travel to long-distance destinations has a record of above average rates of growth: arrivals out of Europe increased from 1.3 million in 1961 to an estimated 11.3 million in 1979, growing at some 10% a year over the period 1977 to 1979. The fall of the dollar, to which most Caribbean currencies are linked, has moreover recently made the Caribbean more cost-accessible to the European tourist.

The Caribbean is now competing increasingly as a year-round destination, and Europe is proving a fruitful market, particularly in reducing the seasonal fall off in demand experienced in the summer season.

(*) Research officer at the Caribbean Tourism Research and Development Centre (CTRC).

(1) Except otherwise stated, the term Caribbean in this article includes Bermuda and Trinidad and Tobago.

Figures, which are set out below, show a steady pattern of growth during the 1970s, from some 4.26 million in 1970 to around 8 million in 1979, an average annual growth rate of 7%.

Overall, therefore, the picture in 1979 was of some 300 000 arrivals in ECCM countries, a further 1 million or so in other CARICOM countries, a further 400 000 or so in the Netherlands Antilles, 1.1 million in the Bahamas, approaching half a million in Bermuda, and a balance of 3.8 million elsewhere.

1979 was a good year for Caribbean tourism. The experiences of Caribbean ACP states were as follows:

Bahamas: Arrivals increased 4% to over 1.1 million. Growth from Europe was exceptional at 17.5%.

Barbados: Arrivals were up 17% to 370 900. Growth in arrivals from other Caribbean countries was notably strong at +28%, to total 76 000.

Dominica: Arrivals fell 27% to 20 000, perhaps due to a combination of political unrest and the effects of hurricane David.

Grenada: Arrivals were the same as in 1978 at around 32 000. Arrivals from Europe grew substantially (+62%).

Jamaica: There was an increase of 12%, with arrivals totalling some 426 000. Growth from Europe was high at 47%.

Trinidad & Tobago: No statistics available.

St. Lucia: No data for 1979 is available. Arrivals in 1978 were an estimated 69 000.

St. Vincent: Arrivals increased by 14% to nearly 33 000.

Tourist arrivals in the Caribbean

	1970	1978	1979	% Change 79/70	% Change 79/78
ECCM countries(1)	176 198	270 757	304 424	+ 73 %	+ 12 %
Other CARICOM countries(2)	591 561	934 712	1 059 168	+ 79 %	+ 13 %
Dutch Netherlands Antilles	181 080	370 085	404 837	+ 114 %	+ 9 %
Bahamas	891 480	1 083 180	1 129 430	+ 27 %	+ 4 %
Bermuda	307 776	419 784	458 781	+ 52 %	+ 9 %
Other(4)	2 111 000	4 043 266	3 806 300(*)	+ 80 %	(5)(*)
Total	4 262 095	7 121 784	7 162 940	+ 68 %	

(1) Antigua, Dominica, Grenada, Montserrat, St-Kitts/Nevis, St. Lucia, St. Vincent. ECCM = East Caribbean Common Market.

(2) Barbados, Belize, Jamaica, Trinidad and Tobago.

(3) Aruba, Bonaire, Curacao.

(4) Cayman Islands, Dominican Republic, Guadeloupe, Haiti, Martinique, Puerto Rico, Turks and Caicos, Venezuela, US Virgin Islands, British Virgin Islands.

(*) New series in 1979 for certain countries in this category.



*European tourists in front of the House of Assembly in Nassau in the Bahamas.
Europe presents an increasingly important market for the Caribbean*

Evaluation of US, Canadian and European visitors to the Caribbean (2)

US arrivals in the Caribbean were approximately 3.6 million in 1970, 4.6 million in 1978 and 5.0 million in 1979, a 9% increase on the previous year. Over the same period the total proportion of arrivals from the US was 84% in 1970, declining to 63% in 1979.

Thus the long-term trend indicated is a decline in the relative importance of the US as a market, as measured in terms of tourist arrivals, even though in volume terms it continues to be the largest tourist-generating market of the Caribbean.

Canadian authorities estimate that some 470 000 Canadians visited the Caribbean in 1978. About the same number arrived in 1979, representing 6% of all arrivals.

Arrivals from Europe totalled some 170 000 in 1970, increasing to 690,000 in 1978 and 800 000 in 1979. The proportion of Caribbean arrivals originating in Europe has thus increased from 4% in 1970 to 10% in 1978 and 1979.

Prospects for 1980 and beyond

The traditional main tourist market of the Caribbean countries has been North America and the deepening recession there leaves little cause for optimism.

It is anticipated that in visitor arrival terms, growth will be very restricted in 1980 and in real terms expenditure may fall.

Nevertheless, the weakening dollar means that many US visitors will be taking their holidays nearer home in areas such as the Caribbean which are linked closely to the dollar. So, despite the recession, there remains some scope for further growth.

Deregulation in air transport may enable the impact of fuel cost increases to be minimized, although the fuel economies that come with larger aircraft operating at high seat occupancies will tend to further concentrate tourist arrivals in the Caribbean on established gateways. Inter-island communications will therefore remain crucial in developing tourism in the smaller islands.

Europe presents an increasingly important market, though still small when compared with the US, in the Caribbean. The weak dollar has caused the Caribbean to be more cost-accessible to the Europeans and has enabled them to be attracted to many islands in increasing numbers during the summer months.

A recent study by the CTRC (the Caribbean Tourism and Research and Development Centre) forecasts tourist arrivals to the Caribbean area from Europe as increasing by some 12% per annum over the period 1978-1985, and 7% per annum over the period 1985-1990.

One other small market of increasing importance is regional tourism within the Caribbean by Caribbean people. Available statistics show steady growth in such tourism, and this is expected to develop further during the 1980s. ○

(2) All figures are provisional.

Summary of stay-over tourists in the Caribbean

	1970	1978	1979	% Change 79/70	% Change 79/78
ECCM countries	176 198	270 757	304 424	+ 73 %	+ 12 %
Antigua	63 369	76 895	99 536	+ 57 %	+ 29 %
Dominica	13 537	27 944	20 305	+ 50 %	- 27 %
Grenada	30 436	32 336	32 303	+ 6 %	=
Montserrat	9 503	15 350	14 405	+ 52 %	- 6 %
St. Kitts/Nevis	13 472	20 234	25 074	+ 86 %	+ 24 %
St. Lucia	29 529	69 300	80 000(1)	+ 134 % (2)	
St. Vincent	16 352	28 698	32 801	+ 105 %	+ 14 %
Other CARICOM	591 561	934 712	1 059 168	+ 79 %	+ 13 %
Barbados	156 379	316 886	370 916	+ 137 %	+ 17 %
Belize	42 000	59 911	61 712	+ 47 %	+ 3 %
Jamaica	309 122	381 818	426 540	+ 38 %	+ 12 %
Trinidad and Tobago	84 060	176 100	200 000(1)	+ 109 % (2)	
Dutch Netherlands Antilles	189 080	370 085	404 837	+ 114 %	+ 9 %
Aruba	75 042	163 929	185 141	+ 147 %	+ 13 %
Bonaire	7 410	19 755	19 696	+ 166 %	=
Curaçao	106 628	186 401	200 000(1)	+ 75 % (2)	
Bahamas	891 480	1 083 180	1 129 430	+ 27 %	+ 4 %
Bermuda	302 776	419 784	458 781	+ 52 %	+ 9 %
Other	2 111 000	4 043 266	3 806 300	+ 115 %	(3)
Cayman Islands	22 891	77 402	100 587	+ 339 %	+ 30 %
Dominican Republic	63 025	413 019	342 578	+ 665 %	(3)
Guadeloupe	47 225	180 000(1)	225 000(1)		
Haiti	33 691	111 642	120 000(1)	+ 231 % (2)	
Martinique	33 415	147 799	159 379	+ 377 %	+ 8 %
Puerto Rico	1 088 379	1 474 362	1 661 971	+ 53 %	+ 13 %
Turks and Caicos Islands	2 000(1)	9 627	12 000	+ 381 % (2)	
Venezuela	116 962	783 670	850 000(1)	+ 570 % (2)	
British Virgin Islands	33 589	105 514	120 000(1)	+ 214 % (2)	
US Virgin Islands	669 823	740 231	214 785	+ 11 % (2)	(3)
Total	4 262 095	7 121 784	7 162 940	+ 85 %	—

(1) CTCRC estimate.
(2) Change 1978/1970.
(3) New series.

Approximate room capacity in the Caribbean (1)

	Year	Rooms	Source	% of Total
ECCM countries	—	4 692	—	6 %
Antigua	1979	1 390	(2)	
Dominica	1978	118	(2)	
Grenada	1977	765	(2)	
Montserrat	1979	131	(2)	
St. Kitts/Nevis	1979	548	(2)	
St. Lucia	1976	1 230	(2)	
St. Vincent	1979	510	(2)	
Other CARICOM	—	19 683	—	26 %
Barbados	1979	6 000	(3)	
Belize	1979	1 076	(2)	
Jamaica	1979	10 466	(2)	
Trinidad and Tobago	1979	2 141	(2)	
Dutch Netherlands Antilles	—	4 187	—	6 %
Aruba	1975	2 306	(2)	
Bonaire	1979	307	(2)	
Curaçao	1978	1 574	(2)	
Bahamas	1979	11 442	(2)	15 %
Bermuda	1977	3 600	(4)	5 %
Other		32 478		43 %
Cayman Islands	1979	2 829	(2)	
Dominican Republic	1978	2 078	(5)	
Guadeloupe	1979	3 063	(2)	
Haiti	1979	1 419	(2)	
Martinique	1979	2 285	(2)	
Puerto Rico	1979	9 869	(2)	13 %
Turks and Caicos Islands	1979	214	(2)	
Venezuela	1978	5 536	(5)	
British Virgin Islands	1978	656	(2)	
US Virgin Islands	1978	4 529	(2)	
Total	—	76 082	—	100 %

(1) Data not always completed on strictly comparable basis.

(2) National Tourism Office.

(3) Estimate based on number of beds.

(4) Estimate on hotel and travel index, spring 1978.

(5) European Tourism Demand Study, CTCR, 1980.

THE SOUTH PACIFIC

Going for the Americans and the Japanese

The Polynesian, Melanesian and Micronesian islands of the Pacific were first visited by the white man round about the 16th century. "Since that time", notes the South Pacific Bureau for Economic Cooperation (SPEC), the South Pacific has come to be associated with thoughts of adventures, "escape to paradise and exotic beauty"; and one may add that it is one of the exceptional areas of the Third World where, in spite of ubiquitous evidence of Western civilization, the traditional way of life is still as vibrant and authentic as when Captain Cook visited the islands 200 years ago.

The multi-racial/multi-cultural society that the South Pacific has become with the years is an enchanting "living museum" which has attracted and will continue to attract large numbers of tourists annually. Given the islands' limited land space and, by implication, limited agricultural potential, tourism is of crucial importance to their economies. It already occupies first or second place, most often in competition with agriculture.

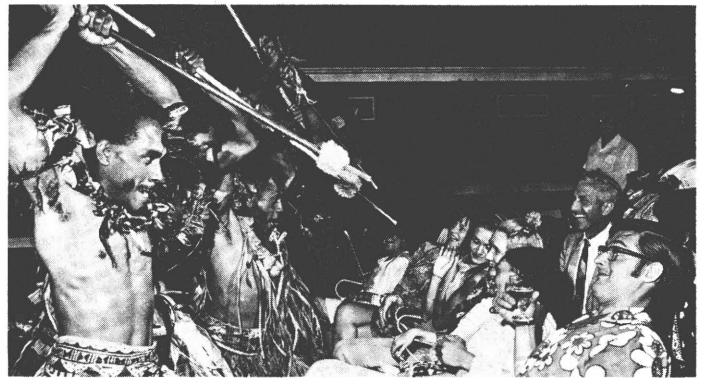
There is hardly any island that has not witnessed a progressive increase over the past 10 years in the number of visitors. Fiji (by far the most popular tourist resort in the South Pacific) welcomed some 180 323 visitors in 1973. Although the number dropped substantially from 1974 to 1978, it rose to a high 190 000 last year, earning F\$92 million. There are strong indications that this year's figure will be considerably higher. In Western Samoa, tourism is the fastest growing sector. The number of arrivals has risen from 8 000 in 1960 to 65 000 in 1979 and earnings have increased correspondingly from W \$2.6 million to 5.9 million.

Comparative advantages

This rapid growth does not come entirely as a surprise. The South Pacific has certain clear advantages over its competitors. It is, first of all, politically stable. Its hotels have large gardens and parks which give visitors a feeling of being more or less in private homes, in contrast with most tourist destinations in the world, where hotels have limited open spaces. And in relation to their sizes the islands have very high hotel densities. Western Samoa's accommodation capacity, for example, is now 600 rooms compared to 60 in 1965, while Fiji's has risen to 4 000.

Like other tourist destinations in the world, tourism expenditure in the South Pacific has a high import content, in terms of materials for hotel construction and of food, and this inevitably reduces the overall profit margin of the industry. There is therefore a need to gear development efforts towards import substitution of most of the products, particularly of food, and to increase the visitor's expenditure.

Mass tourism, however, is being frowned upon in the islands because of the serious bad effects it can have on them, small as they are. Although tourist flows from Australia and New Zealand, which, at the moment, make up 70% of visitors to the South Pacific, are far from constituting mass tourism, they still represent potential sources of it, and there



Fijian spear dance troupe entertaining visitors

are moves to develop luxury tourism and attract more visitors from the United States, Canada, Japan and even West Europe, the reasoning being that only wealthy people can afford the cost of such long-distance trips. The Americans and the Japanese are particularly believed to be capable of providing the market, and the islands have been encouraged in this belief by the growing number of visitors from these countries, who are increasingly finding the shimmering blue sea and palm-lined, white, sandy beaches of the South Pacific more lush and agreeable than the traditional resorts of the Caribbean and Hawaii.

Improvement to the transport system is an imperative

To retain and expand this type of tourism, it is essential that the South Pacific should offer something more—perhaps package deals comprising two or more islands. In this regard, a regional approach to tourism is inevitable and this, in turn, implies first and foremost an improvement to the transport system.

Transport communication between the islands has up till now been assured by charter flights, ferries and launches. However, a significant step was taken recently when the Association of the South Pacific regional airlines was created.

Full exploitation of the American, Japanese and European markets will depend very much on improving South Pacific links with those countries. Only Fiji's Nadi airport is currently served by a number of major airlines from Australia, New Zealand, the United States and most recently from Japan, following the signing of an agreement in June 1980 between the Japanese airline, JAL, and the Fiji government—an agreement which allows JAL to operate a twice-weekly service to Fiji.

Tonga, Western Samoa and Papua New Guinea can be reached directly from Australia and New Zealand. The other islands, Kiribati, Tuvalu, Solomons, Cook and Nauru have air connections with Fiji, Tonga and Western Samoa, thus they can be more accessible to American and Japanese visitors. There is, however, a growing interest in long-distance sea transport, particularly in cruise ships, and there is, therefore, a need to provide adequate berthing facilities. To do this, the islands will have to rely heavily on external assistance and it might not be easy to procure. At the moment, cruise ships make brief stops, anchoring offshore. Local craftware and entertainment troupes have to be brought on board.

Considerable marketing, however, is essential if these objectives are to be realized. Again, only Fiji, at the moment, has an elaborate publicity drive with a number of visitors bureaux abroad. It is being suggested that the country could select one or two preferred partners in the South Pacific group of islands to share advertising costs, still in the spirit of regional cooperation. ○ A.O.

KENYA

“We not afraid of competition”

**G. K. M’Mbijwe,
Minister of Tourism**

Of all the ACP countries Kenya has the most flourishing tourist trade. Kenya is synonymous all over the world with wildlife, game reserves and photographic safaris, with attractions such as the millions of pink flamingoes around Lake Nakuru and its famous Tree Top Lodge, where animals come to drink at the feet of spellbound tourists.

As safaris are such an important aspect of the tourist trade, the government has banned all forms of hunting and set up a special anti-poaching brigade to ensure that the big game, which attracts so many tourists to Kenya and brings in so much foreign exchange, does not die out. This link between tourism and wildlife is apparent in the latest five year (1979-1983) development plan.

Tourism is second only to agriculture as a source of foreign exchange earnings, having brought in K £ 60 million in 1978 (representing almost 9% of total exports of goods and services). About 16 000 people are directly employed in the tourist sector and there is considerable spin-off for arts and crafts, particularly in the towns. Hotels are expanding and the country can currently offer 21 000 hotel beds (compared with 2 000 on independence in 1963). More than half a million visitors flock to Kenya every year and the Kenyans, who manage hotels and travel agencies, organize tours, act as couriers and supply food to safari lodges and major tourist centres, are so well integrated with the tourist trade that the authorities have every reason to be confident in the future.

But recent years have been difficult. In 1974, after nearly 10 years of spectacular development, the decline of international tourism following economic stagnation in the West brought about a sharp drop in the number of tourists. And the



The improvement of the facilities in the Samburu game reserve is one of the priorities in the development of tourism



Kenya receives more than half a million tourists annually. One of the big attractions is watching the wildlife, if only from the front row of the stalls on the terrace of a lodge

trend continued in 1975. But last year things improved again and they are looking better all the time.

Today, a certain amount of optimism is justified and the government has made tourist development plans in the form of two programmes. The first involves improving and expanding the facilities of three of Kenya's big reserves—Masai Mara, Amboseli and Samburu/ Buffalo Springs. Alongside direct investments in tourist services and institutions, there are plans for support activities such as training and anti-poaching measures, involving the creation of an estimated 2 700 jobs by 1983.

The second involves developing tourist facilities along the coast. This means expanding the hotel capacity to meet increasing demand, making optimum use of local resources and fighting pollution.

If anyone is optimistic about Kenya's tourist development prospects, it is the minister for tourism, G.K.M’Mbijwe. He dismissed reports that the number of visitors to Kenya is on the decline when he talked to the *Courier* in May.

► *Tourism is one of Kenya's main foreign exchange earners. But according to some figures, this sector is disappointing. Is this correct?*

— It isn't correct. Tourism is one of the biggest foreign currency earners for Kenya. It's next to coffee and it's still going strong, that's how we see it. We don't think it is declining.

► *Has tourism in Kenya suffered from the closure of the border with Tanzania?*

— I would say the opposite. It hasn't suffered because tourists coming to Kenya used to go to Uganda and Tanzania. The closure of the border hasn't affected us because we reshuffled our circuits and it happens that all the facilities which were offered in Uganda or in Tanzania are here, so that we accommodate all our tourists and that is why we never felt any of the effects. The trend for tourism is to increase rather than decrease.



Hunting has been banned in Kenya: this elephant can only be "shot" through a camera, although a close-up requires good nerves

Better protection of the game and of the environment in general can be one of the positive results of well-organized tourism. Leopards (see picture) are normally rarely seen in daylight



► *So the prospects for tourism are good?*

— First class. I can say they're very good. We are doing very well. More people are now coming to Kenya and what we have to do quickly is to increase our bed capacity so that we will not be overtaken by events.

► *What targets have you set for tourism in the 1979/83 development plan?*

— Our target is just expansion. Previously, we concentrated mostly on the coast. Now we are dividing the country into circuits. We intend to move upcountry, to encourage tourists to move to game parks and other parts of the country. We've got what we call the "western circuit", which goes up to Lake Victoria, the "Mount Kenya circuit" which has a lot of facilities, the "northern circuit" and the "coast circuit". By developing these other facilities we would be able to spread tourism all over the country rather than concentrate on an area of the country. So we are really aiming very high.

► *Don't you think that competition is going to be very high in the region, with Tanzania developing its tourism?*

— We are not afraid of competition because we feel quite confident. We've got the facilities and we are very efficient. So competition will not affect us. Even before the closure of the border, Kenya was doing extremely well. We are too well organized, and far more advanced, to worry about competition.

► *Could you elaborate on the social consequences of the development of tourism in Kenya?*

— Tourism generates employment in a country, and that's why we want to spread tourism all over the country to give employment to various parts. It brings in a lot of money. These are the good sides of it. As for the consequences on our people's cultures and morals, we are not too worried. In Kenya we have not come to the stage of mass tourism. The real bad effects of tourism come when you have mass tourism which is difficult to control. We hope to avoid mass tourism as much as possible. ○

Interview by A.T.

THE GAMBIA

An expanding tourist industry

It is important to note that The Gambia did not initially turn to tourism as a development enterprise. Nor is tourism there the result of the publicity from Alex Haley's novel *Roots*, as many Americans might suppose (*).

In 1965, 300 tourists spent their holidays on the Gambian beaches. The following year the Vingressor Club 33 of Sweden brought 528 tourists and this company continued to be the sole tourist agency operating in The Gambia until the 1971/72 season, when Danish and later British agencies started to bring tourists in as well. The number of charter tourists arriving in The Gambia has grown from 300 to 21 049 in just 10 years.

Winter holidays in the sun have always held an attraction for Europeans and although there are a number of obvious destinations, agents were able to sell The Gambia as the nearest country to Europe that could guarantee a pleasant seaside climate during the winter. The dry season lasts from November to April and the humidity level during that period remains between 30 and 60 per cent. The temperature varies between 23 and 27° C. The water temperature along the 48 km of beautiful white beaches bordering the Atlantic ranges,

(*) Edited extracts from a critical paper delivered by B.E. Harrell-Bond and D.L. Harrell-Bond at the International Congress of African Studies in Kinshasa in December 1978.

during this period, between 23 and 26° C. The shortest day at the height of the tourist season is eleven and a half hours.

Political stability

The Gambia as a tourist attraction was also promoted because of its "stable democratic government" and the ease of communication, English being the official language. Moreover, the "interesting culture allowing attractive excursions" and the "exotic atmosphere of Africa" were particularly emphasised as marketable commodities.

There were some major problems involved in extending facilities for tourism. The liberal policy of the Gambian government towards foreign investment, taxation and duty on imported materials would certainly encourage the expansion of hotel facilities by foreign investors, but it must be recalled that the colonial government left The Gambia with very limited provision for power and water supplies and those amenities which did exist in 1965 were primarily limited to Banjul.

Tourism could not expand without the extension of such facilities. Foreign investors were eager to cash in on the untapped potential of tourism in The Gambia, but in order for the venture to be profitable, someone else would have to pay for the necessary infrastructure of access roads, sewage works, communication systems, water and electricity supplies. Clearly the tiny airport with its corrugated metal runway would also have to be modernised. It was evident that the Gambian economy could not finance this kind of development. Tourism as a development industry began to be promoted as the solution.

Establishment of infrastructures

In 1972 an area west of Banjul along the Atlantic coast was identified as a potential site for tourist facilities. Physical

Peace and quiet in a Gambian tourist village



plans and engineering studies were subsequently carried out. The project was evaluated by a number of World Bank missions and found suitable for IDA credit. The infrastructure necessary for the expansion of tourism required a number of components which were identified by the World Bank and United Nations experts.

The power plant for Banjul required a switch to oil-fired generating. Telecommunication facilities had to be extended to the tourist and labour support areas. Sewage and solid waste disposal had to be provided for the tourist hotels. Access roads, along with secondary roads and pedestrian paths between resort sites and within the labour support areas, were also to be constructed. The resort sites also required public beach facilities and shopping areas.

Funds became available from the African Development Bank, the Kreditanstalt für Wiederaufbau and the World Bank to finance a five-year programme, the Tourism and Infrastructure Project, 1975-80. Loans of \$ 59.2 million were granted by these agencies and, in addition, the Gambian government pledged \$ 2.1 million. All of these funds were to be directed to financing the infrastructure relating to tourism, like new towns with places acoustically designed for dancing and drumming. The 'exotic culture' of Africa is often used by tourist agencies to promote tourism in The Gambia as well as in other parts of Africa. West African dress, dancing, drumming and crafts are other aspects of the exotic culture which attracts tourists.

Sources of revenue

Recession in Europe has obviously affected the country's tourist industry in recent years. However there are three direct sources of revenue to the Gambian economy from the industry which can be measured with a degree of accuracy. These include customs duties levied on foodstuffs, airport and hotel or "bed tax". Eighty-five per cent of the food consumed by tourists is imported at a dutiable rate of between 17.5 and 25 per cent. Bed tax is fixed at Dalasi 0.5 per bed per night. The total of these earnings received by the Gambian government directly attributable to the tourist industry in 1973-74 was D 1.48 million. ○

The British colonial administration, aware of the Seychelles' poverty in natural resources and inevitable dependence on tourism for survival as an independent nation, undertook a number of infrastructural projects to stimulate the industry. These projects involved the construction of hotels and roads and the international airport at Mahé, which opened the islands to the outside world in 1971. Since independence in 1975, the government has intensified efforts in this direction and with excellent results: improvements have been made to the Mahé airport with new apron servicing equipment buildings and a high intensity lighting approach system. The government has entered into bilateral agreements with France and Tanzania to improve air services between their capitals, Paris and Nairobi and Mahé. The number of beds has been increased to 2 580.

The government now publishes a list of licensed hotel accommodation and tariffs to help visitors in making their choices. It has launched an effective publicity campaign and set up tourist information offices in Paris, London, Frankfurt and Nairobi. As a result of these measures, visitors to the Seychelles have risen twentyfold in the past eight years—from 4 000 in 1971 to 80 000 in 1979. For country with a population of only 62 000, this influx is frightening and the government is contemplating plans to protect both the inhabitants and the natural beauty of the islands from tourist menace—plans that would be carefully devised to avoid scaring visitors away.

Tourism now employs more than 3 000 people on the islands. In 1976, the industry earned the Seychelles some 140m rupees. This rose to 175 million in 1977 and to 200 million in 1979, representing about 17% of the Seychelles GDP.

A breakdown of tourists to the islands in 1979 shows that Europe accounted for 50 805 of the 80 000 visitors. Others came from Africa and from as far away as America, Asia and Australasia.

The Seychelles recently signed an agreement with Kenya to develop tourism jointly. This, no doubt, will be a tremendous boost, since it will be easier for tour operators to lump Kenya's safari excursions together with sea, sun and the sand beaches of Seychelles in their offers. A.O.

Seychelles craft centre



F. & P. Jarvis

SEYCHELLES

A tourist paradise

Had the Seychelles been economically prosperous as a result of either mineral or agricultural produce, it would still not have escaped its fate as a tourist paradise. Consisting of 92 islands, of which 37 form a granitic group and the rest a coralline formation rising a little above sea level, the Seychelles, with their rare species of land and sea birds and tropical vegetation rich in fruits, present to the visitor a kaleidoscopic display of natural splendour. The sea around the islands has a constant temperature of 70° F and offers a wide variety of sporting activities such as swimming, fishing and yachting.

These qualities were largely undiscovered in the 1960s and as a result, only about 1 600 people visited the islands annually.

Inside the tourist business

An industry at a "cross-roads"

Poverty and tourism are certainly no bedfellows and it will sound paradoxical to say that poverty contributed to the founding of the world's first and largest travel company. But that is what can be deduced from the story of Thomas Cook.

It began with the Leicester Temperance Society, which was founded in response to one of the major social problems of the 19th century England—excessive drinking caused by widespread poverty and misery. The society's activities included excursions and it behoved none other than the secretary to organise them.

That secretary was Thomas Cook, a stocky bald-headed and eloquent ex-evangelist, who had the habit of speaking at street corners, asking why it was that only capitalists travelled and urging workers to go out and see the world.

The advent of the railways was to him an "eye-opener". He was reported to have written in 1840, after watching a train on the new Midland Railway, "what a glorious thing if the newly developed powers of the railways and locomotives could be made subservient to the cause of temperance".

Thomas Cook did not hesitate to put this into effect, for the following year he organized a railway excursion from Leicester to Loughborough and back. The success of the trip encouraged him to set himself up in business as an "excursion agent" in 1845.

Cook began to print brochures showing famous towns and cities. He personally inspected destinations and facilities to ensure they conformed with his offers. Special celebrations and exhibitions provided him with opportunities. Thus, when there was an exhibition in Paris in 1855, Thomas Cook undertook his first tour abroad. Eleven years later, he opened the American market. The company has since grown to be the largest travel agency and the most familiar name in organised tourism.

Once nationalized and returned to the private sector, Thomas Cook is now a part of the Midland Bank group of companies, and handles well over 10 million travellers annually.

To get an inside view of the tourist industry today, the *Courier* interviewed Alan Kennedy, chief executive of Thomas Cook.

► *Mr Kennedy, when it comes to international tourism, Thomas Cook has seen it all develop. What's your assessment of the industry today?*

— I think the industry today is at a point where it will probably have to consolidate, somewhat at a crossroads, not because there is not a need for tourism to develop, but partly because we're dependent on certain factors. If I could give you an example, in the last two years there has been a trend amongst many airlines to reduce their prices largely in response to pressure either by governments or by people, and that of course, has encouraged tourism. Now it so hap-

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COOK'S EXCURSIONIST AND TOURIST ADVERTISER, MAY 15, 1869

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Advertisement from Cook's Excursionist May 1869

pens that that reduction in prices has at the moment only occurred in one or two well-defined places such as the United States.

There are other areas where prices might be regarded as being kept artificially high, if you happen to be an opponent of IATA(1) or as being perfectly sensible, if you look at it from the point of view that airlines have to earn a decent return on the capital they employ; and I think that, until it is resolved as to what is a reasonable airline fare, one cannot make predictions on how tourism will develop.

When you see the scale of losses being sustained by some of the American domestic airlines at the moment, and indeed by some of the international ones on the Atlantic route, then you begin to have doubts about the future. Equally, I would have said that some of the very high fares charged, particularly in some of the Arab countries or some of the Third World

(1) International Air Transport Association.

countries, probably inhibit tourism because, in the opposite way, it is too high on the scale.

► *There is a consensus of opinion among experts that the Third World will, by 1985, become literally a "playground" for tourists from Western industrialized nations. Although you have been first in the travel business, have grown large and have the means for expansion, you appear to be losing out to smaller operators in the developing countries, particularly in Africa. Why?*

— Well, I think it's partly a question of allocation of resources. You see we have to allocate our resources where we think we're going to get the very best return from them. It's quite true that there are small tour operators who are quite capable of mounting a programme to any particular country. We don't compete with them by putting our own programme on. The reasons are varied.

First of all, a small tour operator can offer a specialist programme to a particular country or to a particular area where there may be special interests. With us, it is the size and the cost of operation that count. Take the United Kingdom for example, where we are catering for a large number of tourists: we have to look at the cost of a brochure and it so happens that in our long-haul programme, this costs around £ 2 000 per page because of the large print run. Therefore we can't afford, speaking purely as a businessman, to go out to seek to promote new destinations in that type of programme. You have got to go where you know you are going to get volume traffic. So that's really one reason why we are not always seen to be innovative in developing programmes. And then, of course, there are many other reasons.

There is the political risk, which clearly one has to take into account. There is also the question of management resources. Even in a company like ours, there is a limit to what we can do, if only because of the availability of people with sufficient management ability who can put on a programme which we as a company would be personally proud of. We're not really interested in running programmes just for the sake of getting bodies on aircraft because we don't think that's in our long-term interest. We've got 140 years of history, and a reputation, both of us and of our parent company, Midland Bank, to protect.

► *Normally how do you go about deciding whether a country has tourist potential or not?*

— To a certain extent, it is purely a matter of judgement. Clearly a country like China, as it stands today, has tourist potential; it is about the oldest civilization and there is much there for people to see and to do. But one has to recognize in a case like that, that the potential is limited to people who are particularly interested in the Chinese civilization. If you want to take it further and make it a destination for mass tourism, then you've got to look for other facilities, for instance, does it have items which people want to buy, so it can become a sort of shoppers' paradise, does it have the sort of climate which would incline people to lie out in the sun and the infrastructure that goes with it? Now clearly, in the case of the latter, China doesn't at the moment, although it is very actively engaged in a programme of building hotels, which is an interesting development. So, it largely comes down to a matter of us looking at any country, deciding which particular market will appeal and how, and whether it is in the appropriate price bracket. For clearly nobody who buys a package holiday to Majorca at the cost of about £ 200 would consider, say, China, even if it had package type hotels as an alternative, because the airfare would be so colossal that you would never be able to convince him that China is better than the Mediterranean.



Alan Kennedy

Clever marketing

So you have got to look at it from the point of location, climate, and what it has to offer, split up by market segments, and then see whether it is financially viable or not and whether it justifies expenditure of time and money. I mean there have been some notable areas where people have moved in after evaluations of this sort.

The Gambia, Mauritius and the Seychelles are examples. There is a very big difference between Seychelles and Mauritius.

In Seychelles, I think a demand for the public was created by the government; and that was a very clever marketing operation which stimulated demand for this Indian Ocean paradise (I mean that was how it was presented).

Now, if you take Mauritius, which I have been to and think is a very nice island with very friendly people, there isn't that same demand because the same effort hasn't gone into marketing it as a desirable destination, and therefore the people who go there at the moment are those who have been told by friends that it is a nice place or those just looking for something out of the ordinary.

You've only got to look at the number of people on almost any statistic on tourism to see that, in fact, the demand for the Seychelles, at the moment, is very much greater than to Mauritius.

► *In your own case, do you normally assess potentials through national tourism administration or you send people to do it on the spot?*

— If we look at a new destination, we ask the question whether there is anybody else in the trade offering it. If there is, then we ask ourselves why we aren't.

Then we draw information on the new destination from various sources: from materials available from government tourist offices, and from the experience that people have had, and then we come to our conclusions. For instance, I was in Egypt about a month ago, and although Egypt has got a well developed tourist business, I believe it's got further potential, particularly in the summer months when it is traditionally hot.

But I think that there, you could well create a demand for areas like Luxor which has got both items of archaeological interest and areas of beauty such as the Nile, and has already got an infrastructure in hotels with more being built.

The country could benefit in the sense that it can be provided with tourists year round, rather than a seasonal business which nobody in the tour business really wants, particularly in the hotel business because it's expensive to shut down a hotel and start it up again. I think there is a classic case.

Tour operators and the "quick-killing" business

► *One of the major criticisms often levelled against tour operators is that they encourage governments to construct*

airports, roads, ports, hotels etc. at enormous costs, then they may or may not bring in the tourists, but when they do, they make use of the infrastructures, make profits and disappear leaving those governments in debt. Is this a fair criticism?

— Well, no. I think that's a bit unfair. To start with, if a country decides that it is going to earn foreign exchange through tourism, then it hopes to provide employment for a large number of people and hopefully they will be people from the country and not people who are imported. That obviously benefits the country. I have no doubt that, since not everybody is perfect, there are tour operators who tend to act in a somewhat parasitic way, but I would have thought that most of the reputable companies, certainly those to my knowledge which are operating in the United Kingdom and continental Europe, would have a much longer term interest in seeing an orderly development of tourism and would not go in to make a quick killing and then pull out. And indeed it's very difficult to make a quick killing in tourism, because it happens to be a fairly fine margin business.

In our own case, it is the demand from the public that governs sometimes our movement into or out of countries. If I could give you an example, when there was a lot of unrest in Portugal, we saw the number of tourists going there drop quite dramatically as it did for every other tour operator. As businessmen, we do not offer packages to a place where clearly there is a great deal of uncertainty about what is going on. But as soon Portugal recovered we started to offer more packages back into the country, as did everybody else, and the Portuguese tourist industry picked up again.

So we see it as being a sort of long-term commitment and we're certainly not in it to make a killing. I have yet to find anywhere in the tourist business where I could make a killing even if I wanted.

The need for proper planning

What I think needs to be guarded against is often the rush towards developing a touristic infrastructure in terms of hotel and ground transportation and so on without any thought as to what the long-term effects might be. That is something which I personally hope that countries will not do, because the delight in going to a country is really to have a holiday or to see and observe its particular culture and the way people behave and so on.

And if you try to impose on that a kind of sub-culture connected with tourism, which is totally alien to that country's way of life, then I think you can do lasting harm. You can see it, for instance, if you put a tourist project into an area which is very poor. You will sooner or later breed discontent when local people see foreigners who are apparently very affluent.

Now clearly, if your policy is to have tourists you've got to find a way to do it without upsetting the indigenous population and yet still provide people with the sort of experience that they expect for paying whatever it costs to get there.

► *Taking a group of people from one country to another is in effect bringing two different ways of life together. You have mentioned the discontent it can breed among local people. However, in your limited experience in the developing countries, what other effects is this having?*

— It's very difficult for me to tell. I mean, I don't think I'm presumptuous enough to assess the feelings of the inhabitants of the countries we operate in. It may emerge after a period of time. Speaking from my personal experience, as a visitor, I found it to be at times quite a sobering experience. You know, if you see poverty, you realize what a responsibility the West perhaps has. You find cheerful people and you realize that whatever race or colour or religion we may be,

we're the same people under the sun. I think it's educational and it gives people a better understanding of the nature of some of the real problems in the world, not all of them of course, because they tend to be insulated. I mean if you are going to take a group of tourists to India, then you are going to try and show them the sort of thing which they, as tourists expect, such as the Taj Mahal and the Red Fort of Delhi. You've got to try and keep them out of the slums of Calcutta. From that point of view they will really not gain a valid experience of the sort of problems that the government of India has to cope with. But they will begin to get an impression, even by just everyday experience.

► *Does Thomas Cook contribute in any way to the preservation of host countries' cultural heritage and natural environment; in other words do you participate in any project designed to conserve a country's cultural heritage?*

— If we are asked, we are very happy to advise. But it's really a sort of a specialist field more concerned with project development of tourism. We are really travel agents and tour operators. We've been asked in one or two places for our views on the development of tourism. The latest is in Zimbabwe, and we have suggested very informally, in talks with government officials, that it would be unwise to go for the mass market and we think that the great beauty and charm of Zimbabwe would be preserved by really going more upmarket rather than mass market. Mass-market does involve an awful lot.

You've got to build a lot more facilities and we believe that probably the needs of Zimbabwe in the field of tourism can best be helped, certainly in the first few years, by keeping the product relatively upmarket. So we're there, we're very happy to advise but we are not experts on project development.

► *A World Tourism Conference will take place in Manila in September this year, and it is likely, for the first time, to lay down guidelines on international tourism for all concerned in the industry. How would Thomas Cook respond to them?*

— I think we would welcome guidelines, not necessarily because we, as a company, like to see a highly regulated business, indeed we believe in free enterprise and competition, but I think in a business where, quite often, you are handling very large sums of money belonging to the public, and providing services to it, then you have got a responsibility.

I think guidance on them and even, in some cases, regulations to preserve the security of the public money, is in the interest of both the travel industry and the consumer. I am concerned about the so-called bucket shops, which is where you can buy a cheap airline ticket below IATA prices and against Civil Aviation Authority rules. I don't think that is helpful to members of the public because they don't have the same sort of security that they would have if they dealt with reputable companies which have to abide strictly to the rules. I agree that the way by is set up, they save money at the moment, but if they lose all the money they will have little chance of recovering it. I don't like seeing businesses over-trade and I think it is relatively easy to do so in the travel business.

You can set up a company on a limited amount of money, and you can vastly increase the level of trading out of all proportion to what your capital resources are. And I don't think that's a good thing. I think people should be able to expand, they should be able to be entrepreneurs, but there ought to be some protection for the public because from time to time there are failures. And it is not generally people like Thomas Cook who get hurt, and that pains me very much. I'd like to see a little more regulation there. ○

Interview by
AUGUSTINE OYOWE

INTOP: the tourist trade with the human touch

Although Belgium is only a small market, its position in the heart of Europe means that a large number of tour operators fight to attract its customers. Travellers wishing to go to distant places are inundated with brochures from Neckermann, Kuoni, Sovereign, Jettours and hosts of other European companies and there are the national ones too, Transair, Sunair, Airtour and so on. Airtour, which has been operating since 1955, is part of Intop, which also groups Centrair, Suncomfort and Immotour.

Intop, the biggest Belgian tour operator, is geared to mass tourism. Of the 200 000 customers it handles annually, only 5 000 go far afield. The company's turnover is Bfrs 3 000 million (some 75 million ECU) p.a. (1) and it has a staff of 200 in the high season. This year, it has long distance flights to the Caribbean (Guadeloupe and Martinique), Kenya, Peru and the USA and, last winter (1979/80), Brazil and Jamaica were also served. The *Courier* talked to Intop boss Theo Van den Driessche and asked him about relations with the developing countries where his company organizes tours.

Board and flight costs

In the present economic situation, Intop feels that the cost of a holiday is perhaps more important than the standard of the board and lodging, so two factors count on long-distance trips—the flight (which is determined by the distance involved) and the hotel accommodation. Overall hotel accommodation is preponderant, and here, Mr Van den Driessche said, there is enormous competition between the developing countries. The cost of building new hotels is the deciding factor in choosing new destinations.

As far as Intop is concerned, survival ultimately depends on the factors of production, i.e. on the cost of accommodation, of the flight and of the tour operator's services, particularly publicity and promotion. Intop, for example, would like to get the developing countries interested in taking a direct hand in the design and financing of brochures for the general public (800 000) copies at roughly Bfrs 150 000 or 3 800 ECU per page), as this would give them direct contact with their potential customers.

Balancing distance and price

In addition to the very high operating costs of airlines serving the developing countries, including those in Africa, the biggest thing is building the necessary infrastructure in these distant places. Intop feels that the cost of the flight should be offset by infrastructure built with the resources of the developing countries themselves, i.e. with local finance and local labour (although foreign know-how would be involved) and, ultimately, with soft loans from international organizations.

So far, long hauls, apart from those to

the USA, have been poor economic propositions from the point of view of the price per km. However, and this is important for the host countries, although the tourist may be concerned about how much he pays to the travel agent (an average of Bfrs 35 000 or 875 ECU per head, of which 25-30% stays in the host country), he spends freely once he actually arrives.

Intop aims to make 2-4% profit (pre-tax) on turnover, which means that they have to be 85% booked on all flights, a figure which is getting increasingly difficult to maintain on long-distance trips. The economic crisis is beginning to make itself felt and Intop is increasingly emphasizing OPEC's responsibility for soaring kerosene costs.

Squaring the circle

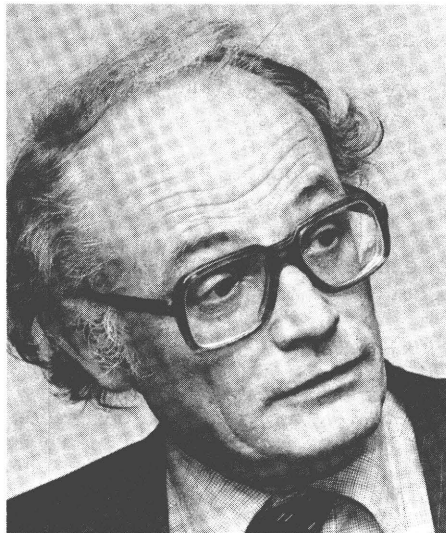
Mr Van den Driessche is not very optimistic about Intop flights to new places. The general tendency, he said, is for European operators to push their current flights and, if they are seeking new holiday spots, to look nearer home, in the Mediterranean area. Long distance flights are on ice for the moment.

Intop does not even have a systematic policy of prospection in the developing countries, but it is negotiating with Air Jamaica with a view to charter flights from Brussels. On the other hand, it had to suspend flights to Senegal after a trial season, as accommodation costs were no longer competitive. At the moment, the popular places are the Caribbean and Kenya and, above all, the USA. The open sky policy, the derestriction of flights between Europe and the USA, and the resulting fall in ticket prices, makes America very popular and customers are finding it increasingly difficult to choose between Miami and Tenerife, Mr Van den Driessche said.

Africa is an important potential market for Intop and Zaire, with which Belgium has historical ties, particularly so. Other Community countries are obviously interested in Kenya, Ivory Coast and Senegal. The fact that Sabena, the Belgian national company, runs regular flights to these countries helps the tour operators. National European airlines in general are becoming increasingly involved in tourism via subsidiary companies in which they are major shareholders.

Rising oil prices will be the deciding factor, but more European tourists are likely to go to Africa than to Asia or South America, say, given that Europe and Africa are fairly close. One of the commonest problems, Intop finds, is to get local travel agents which can welcome the tourists in an appropriate manner, but Mr Van den Driessche thinks the group can train local staff in the longer term. Ultimately, personal contact is the important thing and this human touch is the essential. "With this human approach to an ever-more complex and sophisticated tourist product, we have perhaps managed to square the circle."

As far as Intop is concerned, it is the tour operator's duty to make the destination economically, socially and ecologically agreeable and to do this in close cooperation with the host country. Perhaps even more important is the realization that "what we are selling is not just a hotel or an exotic beach, but a whole country". ○ R.D.B.



Theo Van den Driessche, managing director of Intop: "We are looking for the best possible ways of cooperating with the developing countries which receive our tourists"

(1) 1 ECU = approx. US \$ 1.45.

Planning, promoting and marketing tourism

It is natural for developing countries to look to tourism as one of the means of economic development. Indeed, it is clear that some tourism is feasible for almost all developing countries, particularly if one includes the movement of people within countries and business trips, while for other countries, with little alternative available by way of economic development options, a significant level of tourism is regarded as essential.

The need for proper planning

Nevertheless, it goes without saying that the volume, level and type of tourism to be fostered and developed must be decided on the basis of conscious and constant planning by governments in cooperation with the main elements of the industry. In such planning, priority should be given to the likely impacts of tourism as a factor in development, as a whole, with particular emphasis on the economic and social impact.

Tourism has the potential to exercise a vast influence over world understanding, peace and a certain degree of prosperity, but it should never be regarded as the panacea for all the economic problems of developing countries. Over-dependence on tourism should be avoided. Planned, controlled and coordinated properly, tourism can prove to be a useful mechanism to assist economic development and growth. However, if it is allowed to develop in an unplanned fashion its negative and often detrimental economic and social consequences quickly become evident.

Economic factors

International tourism is an invisible export and differs considerably from other forms of international trade. Many elements combine to make up the tourism product, including transportation, hotels and accommodation generally; retail trade, restaurants, entertainment, handicrafts, products, utilities. Exchange rates are often arranged in such a way as to attract more tourism expenditure. Tourism is perhaps more immediately sensitive to social or political disturbances than normal visible international trade and it involves more non-financial costs and benefits.

In value terms, international tourist receipts rose by 11% from 1977 to 1978. In the period 1963-1978 tourist arrivals rose at an annual rate of 7.7% while receipts grew by over 13.6% per annum.

These growth levels were achieved despite the increase in oil prices (and a four-fold increase in aviation fuel prices between 1973 and 1974). While the growth rates are impressive, even taking inflation into account, it is more difficult to determine the share held by developing countries, due to incomplete and inadequate data. Best estimates are that developing countries accounted for around 20% of tourism revenues in the period 1962 to 1973, the latest period for which any comprehensive data is available.

However, there was a more rapid rise in tourist arrivals to developing countries between 1962 and 1973 than in developed countries, showing a 13% average annual increase. The market share of developing countries in the same period rose by only 2%, due in part to the location of

control, distribution and ownership of the tourism product in developing countries and the need to import construction materials, food, beverages.

Constraints to tourism development

Several factors contribute to the absence of advanced development of the tourism sector in certain developing countries.

Firstly, in some countries, there are those who seriously doubt the economic benefits which can be brought about through tourism. This is reinforced by attitudes which point to the socially damaging results of tourism, the low proportion of tourist expenditures which are retained in developing countries, its effect on local wage structures, the seasonality aspects and so on...

Such attitudes and difficulties can only be overcome by planning coordination and control of all aspects of tourism as one possible means to assist in economic development as a whole.

Secondly, the structure of the tourism industry in developing countries is such that the tourism product and its management is often largely under the control of overseas enterprises, which in turn can result in serious leakages of foreign exchange earnings if not more closely monitored and controlled that is the practice today.

Thirdly, the high cost of imports of construction materials, food, technology, management expertise, training, infrastructural development incentives and grants are often cited as reasons for not attempting to diversify the economic structure of the host country through tourism. Against this must be balanced the potential revenue, employment creation, balance of payments contributions and economic diversification benefits which can be derived from tourism.

Fourthly, over-dependence on tourism in certain small island economies is often the result of limited alternative developmental options. It is also true that many developing economies in Latin America, Africa and Asia can increase their tourism earnings significantly before the level of dependence becomes a cause for great concern.

Fifthly, while social, cultural and environmental effects of tourism can be detrimental in developing countries, they generally arise in situations of mass tourism where decisions are often taken outside the country concerned. At some point in the planning, development and marketing cycle, the peak level of tourism flows can be determined beyond which the benefits accruing in terms of revenue and job creation can no longer be justifiably pursued.

Assistance from the EEC

The policy of the EEC in its aid programmes in the field of

(*) Head of the specialised service for trade promotion of the EEC.

development is to provide financial and technical assistance in line with the priorities established by the developing countries themselves. In this respect, it coordinates inputs with the resources of developing countries and other donor organizations in order to achieve the best cost/benefit ratio for the development objectives towards which resources are directed.

In the field of tourism, the Community provides assistance through the European Investment Bank in the form of investments in tourism infrastructure and through the Commission in the form of financial and technical assistance for tourism planning, organization, marketing, management market studies and promotion. Such assistance can be provided within national indicative aid programmes, where provided for and when requested by national administrations. Because of the obvious regional implications of tourism, such assistance can also be considered in the context of regional cooperation programmes.

In the context of EEC development cooperation as a whole, it goes without saying that unless tourism is presented by national governments or regional organizations at the appropriate level of priority in relation to other development sectors, it will inevitably receive secondary priority in the allocation of resources.

Where tourism is a major component of a country's or regional organization's, is development plan, it is vital that it be given equal status either as a department within appropriate ministries and regional organizations or as a separate ministry or as a public or parastatal organisation. In several of the ACP states, tourism ranges between 1% and 75% of GNP and in many states, it is the largest industry, the major exporter, the leading source of employment and foreign exchange.

In planning for tourism governments and regional institutions in ACP countries could consider some or all of the following actions and aspects, possibly in cooperation with the private sector, for which, through national indicative programmes or regional programmes, assistance could be obtained from the EEC.

Planning and control

— Assume responsibility for all the main elements of the tourism sector including planning, training, marketing, promotion, information data, supervision of tourism enterprises, handicrafts, cultural, ecological and environmental aspects. This could be achieved by the creation or adaptation of a central department or organization responsible for the tourism sector.

— Prepare and implement a national or regional tourism plan with specific objectives as part of overall economic and social developmental objectives within available resources.

— Determine the national or regional tourism product, its nature, scope, size, infrastructural requirements as well as its present and future potential in the context of national or regional planning as a whole. Continuously assess costs and benefits of tourism and all its constituent elements, appropriate rates of growth, tourism attractions, historical, cultural and social values.

Training and professional development

— Establish manpower needs for industry on short, medium and long-term basis.

— Provide for continuous training and executive development of human resources for the tourism sector.



The stand of (ACP) Caribbean states during the Berlin Tourism Fair last March

Marketing and promotion (including publicity and information)

— Establish short, medium and long-term national and regional marketing and promotional plans for local, regional and international tourism. In this context, the problem of seasonality is especially important.

— Establish or improve existing systems for the collection, coordination, retrieval and dissemination of statistical and research data in order to form the basis for objective decision making.

— Establish an effective system of overseas representation either in cooperation with existing tour operators or on an independent basis in the main markets of origin. For well integrated regions such representation may be jointly organized and financed where costs for individual countries may prove excessive.

Research and development

— Systematic assessment at regular intervals of the impact of tourism on a national and regional basis.

— Present and future resource requirements should be constantly monitored and planned for.

— International sources for financial and technical assistance should be identified and inputs coordinated in such a way as to avoid duplication and achieve complementary of action. ○

Gabriel LEE (*)

(*) Head of trade promotion (specialized service) at the EEC Commission directorate-general of development.

Tourism projects

(4th EDF)

Some examples of projects implemented under the 4th EDF in tourism planning, management, marketing and promotion and studies.

1. National projects

Barbados	100 000 EUA	Tourism planning and promotion
Botswana	50 000 EUA	Development of national tourism plan
Guyana	45 000 EUA	Tourism potential study
Liberia	100 000 EUA	Technical assistance for tourism planning
Nigeria	50 000 EUA	Tourism planning seminar
Suriname	100 000 EUA	Technical assistance for tourism planning and research
Zambia	150 000 EUA	Development national tourism plan
Netherlands Antilles	500 000 EUA	Tourism planning, promotion, marketing

2. Regional projects

Caribbean region	230 000 EUA	European tourism demand study
Caribbean region	300 000 EUA	Implementation of major recommendations of European tourism study

3. General

Numerous ACP states participate regularly in vertical or specialized tourism exhibitions and fairs with financial and technical assistance of EEC.

In addition, tourism literature in the form of directories, as well as seminars, symposia and workshops, have been financed from the 4th EDF.

European capital has helped finance the reconstruction of the Hotel des Cocotiers in Douala



EIB loans to develop tourism in the ACP states

The European Investment Bank, a European Community banking institution for long-term financing, has helped finance investments to encourage economic development in African countries since they first signed the Yaoundé Convention in 1964 (it was renewed in 1969).

Now that the Lomé Conventions have been signed, this assistance is being provided over a wider geographical area and the volume of financial cooperation provided by the Bank has been considerably extended.

So, for the new Convention and in the light of the EEC Council's decision on overseas countries and territories, an amount of 700 million units of account has been earmarked from own resources (mainly the product of its loans on the capital markets) and 280 million u.a. from the European Development Fund (EDF) risk capital resources which the EIB manages.

A further 175 million have been earmarked from the EDF to provide interest rebates (usually 3%, can be adjusted so the borrower really pays between 5% and 8%) on EIB loans from own resources. Lastly, the Community has provided the possibility of additional aid from EIB own resources, to the tune of 200 million u.a., for mining and energy investments that are of interest to both ACP and EEC countries(1).

The allocation of tasks between the EIB and the EEC Commission, laid down in Lomé I and taken over by Lomé II, involves the Bank receiving and assessing, as a matter of priority, any applications for financing for investments in industry, agro-industry, mining and the tourist trade and in energy production schemes linked to investments in these sectors. The Bank can also help with productive infrastructure projects, in particular where energy is concerned.

So tourist investments may get the benefit of loans from EIB own resources plus an interest rebate, or they may get risk capital (shares bought, subordinated or conditional loans, usually for investments although they may also be given for studies).

By 31.12.79, the EIB had granted 18.5 million u.a. worth of loans for tourist investments in the ACP group. About 11.5 million of this was from own resources, all with interest rebates of 3%, and nearly 7 million was risk capital. The 10 lots of financing went to Senegal, Gabon, Cameroon, the Ivory Coast, Niger, the Congo, Malawi, Kenya and Jamaica.

The EIB collaborated with the EEC Commission (EDF) on the implementation of this financing and with specialized

financial bodies in the member states, the French CCCE for example, with multilateral institutions, like the Central African Development Bank, and with the national banks in the ACP countries concerned.

Loans from own resources

These go as a matter of priority to investments which seem bound to be profitable. Five such loans went to finance international-class hotels in Dakar (Senegal), Libreville (Gabon), Abidjan (Ivory Coast), Douala (Cameroon) and Niamey (Niger). In all these cases, the government put top priority on the provision of the infrastructure and was directly involved in the financing.

Senegal. The EIB granted a 1.44 million u.a. loan (approx. CFAF 400 million) under Yaoundé II in 1971 to build the



Hotel Teranga in Dakar, Senegal

(1) The various types of financing provided by the EIB under Lomé II are described in greater detail on pages 104-108 of *Courier* no. 60 (March-April 1980).

(2) Global loans—see *Courier* no. 60, page 107.

Hôtel de l'Union (the "Teranga") in Dakar. This hotel is in the centre of the capital, by the sea and has 264 rooms, two restaurants, conference and meeting rooms and a leisure beach and swimming pool. It obviously met an urgent need as the city's hotel accommodation was quite inadequate before it was built, and it is now a centre for tours run throughout the country. It is managed by the Société Propriétaire de l'Hôtel de l'Union, whose shareholders include the state, Air Afrique, the Union Sénégalaise de Banque and the Union Touristique et Hôtelière.

Gabon. The EIB lent 1.195 million u.a. (approx. CFAF 332 million) under Yaoundé II in 1973 for a 120-room hotel with a restaurant and leisure complex in Libreville. The promoter is a limited company, the Hôtel du Dialogue, and shareholders include the state, the Société Gabonaise de Financement et d'Expansion, Elf and the Union Touristique et Hôtelière, which is associated with the hotel management.

Ivory Coast. Under Lomé I, a loan of 1.65 million u.a. (approx. CFAF 460 million) was granted to the Société Immobilière de la Lagune in 1977 to build a hotel (one of the French Novotel group) by the lagoon in the centre of Abidjan. This 288-room establishment has considerably extended the hotel capacity of Abidjan, both as an administrative and economic centre and as a focus for the tourist trade.

Cameroon. 2.67 million u.a. (approx. CFAF 750 million) was loaned the same year for a 297-room hotel on the edge of the Wouri river near the centre of Douala. This is another hotel in the Novotel group and shareholders include the Société Hôtelière du Littoral which promoted the investment, Texunion and various local concerns, including the national investment company.

Niger. In 1977 again, the EIB loaned 4.51 million u.a. (approx. CFAF 1 300 million) to a state company to build a 250-room hotel, the Gaweye. This hotel is in the capital, Niamey, and is to be run by the Union Touristique et Hôtelière, which is also involved in the financing. This hotel had become vital because accommodation had reached saturation point and there were no conference or meeting facilities.

Malawi. 380 000 u.a. were loaned from EIB own resources in 1978 to extend and renovate various hotels, mainly the Mount Sochi in the Blantyre Limbe region, the country's main commercial centre. These investments, for which a smaller amount of financing was required, received credit as part of a general loan that the EIB made to Indebank (Investment and Development Bank of Malawi).

Risk capital operations

The EIB's risk capital operations include financing for the tourist sector in the form of conditional loans for investments and feasibility studies. With financing of this type, the reimbursement, term and rate vary with the conditions determined when the loan is actually granted. So, in the case of the two

schemes described below, the first loan, to the Congo, was to be over a maximum of 20 years but it can be reduced if the hotel company is more profitable than anticipated. The loan made to Mali was at an initial rate of 2% but this will go up to 4% if the hotels are more than 60% occupied in an average year after the seventh year of operation.

Congo. The investment involved here was the hotel Maya-Maya, for which a building loan of 3.15 million u.a. (approx. 850 CFAF million) was given. The Maya-Maya, with its 173 rooms, will replace a smaller hotel. It will be the only international class hotel in Brazzaville and cater for businessmen and official visitors, thereby contributing to the development of the Congolese economy. The Société des Hôtels Méridien is also involved in the financing and will be responsible for management.

Mali. 2.5 million u.a. (upwards of CFAF 730 million) went for the construction of two hotels—a 60-room one in Mopti and a 40-room one in Timbuktu—and the purchase of vehicles and communications facilities to make it possible to run tours. Both hotels will be managed by the Union Touristique et Hôtelière. The investments (the feasibility study was financed by the French CCCE in 1978) were a bold enterprise aimed at promoting tours in a country which extends well into the Sahara and the Sahel and where there are very few openings for industry.

Two feasibility studies were financed under Lomé II:

Kenya. In 1978, 100 000 u.a. went to the Kenya Tourist Development Corporation and enabled studies on developing hotels along the Kenyan coast to be run.

Jamaica. In 1979, 70 000 u.a. went to the Urban Development Corporation for the study of a leisuretime-folklore park on the north coast of the island. ○

The Mount Sochi Hotel in Blantyre, Malawi



Training in tourism

Several ACP countries have seen their tourist trades expand, partly due to economic and social progress in Western industrialized nations, and this in turn, is increasing demand for training.

Training programmes in tourism can be financed by the EDF, just like any other project or programme in the indicative programme as provided under the Lomé Convention.

This may involve EIB (European Investment Bank) investments, technical assistance, various trade and tourist promotion schemes and, naturally, training schemes for managerial staff.

Such schemes may cover:

- study and training course grants;
- specific vocational training programmes;
- the organization of seminars;
- the secondment of training experts.

All these schemes can theoretically be covered, at ACP request, by Lomé II. In particular, article 141 provides the possibility of using multiannual training programmes to teach and ensure training linked to the various EEC-financed development projects, as well as schemes aimed at providing vocational training for ACP nationals with a view to phasing out technical assistance. Specific one-off schemes (vocational training, research and technological innovation) can also be run in individual countries and regional organizations.

Experts and instructors can also be sent out within the framework of the programmes mentioned above.

Outline of training scheme in tourism

About 1.8% of the 4th EDF went on technical co-operation, tourist promotion, planning, projects and studies with a major effect on tourism (trade promotion, craft centres, etc.) and there were various grants for study, training courses and seminars in addition to this.

In the training sector as a whole, the Community approved about 50 multiannual programmes worth 115 million EUA.

Of the 4 300 or so grants awarded at the end of 1979, 950 were for training in the Community and the rest, representing about 78%, were for courses in the ACP countries. Both the ACP group and the Community put priority on training in the home country or other ACP countries, in national or regional institutions, in particular for technical and semi-skilled personnel and for basic and advanced training for administrative and public service staff.

Grant-holders tend only to be sent to Europe once it has been established that there are no specialized ACP institutions offering the relevant training, or in cases of short or vocational courses.

The following table gives the breakdown of grants by subject:

Economics	40 %
Agriculture	15 %
Science technology	27 %
Health	2 %
Teaching	7 %
Miscellaneous	9 %
Total	100 %

Some 400 students from the tourist sectors of 25 ACP countries were given grants under the 3rd and 4th EDFs.

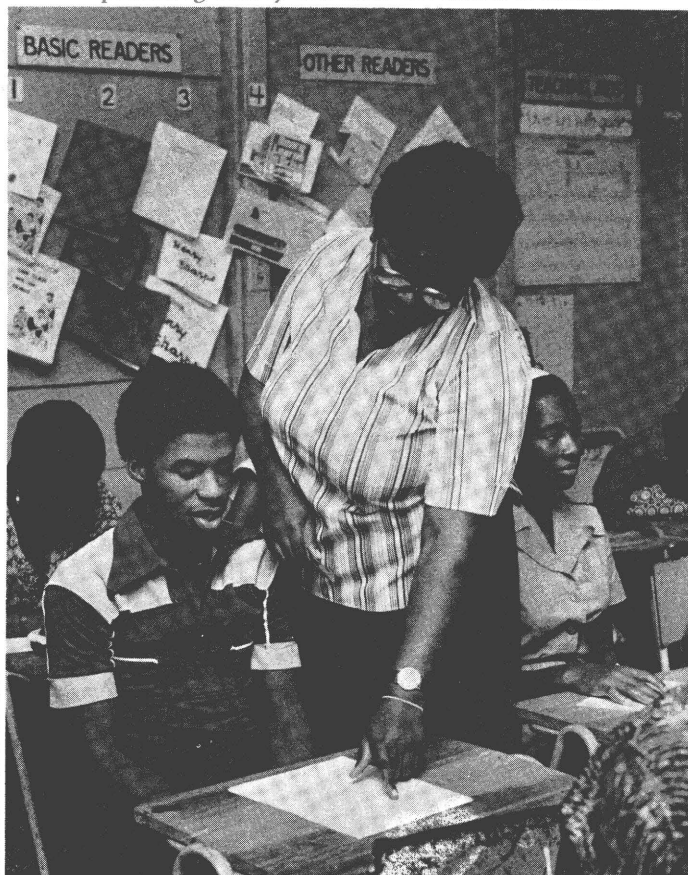
This kind of training, which is often organized in African or other ACP countries, particularly in the Caribbean, is sometimes completed by advanced courses in Europe.

It may be linked to priority projects in the ACP country in question, whether financed from internal resources or by the EIB.

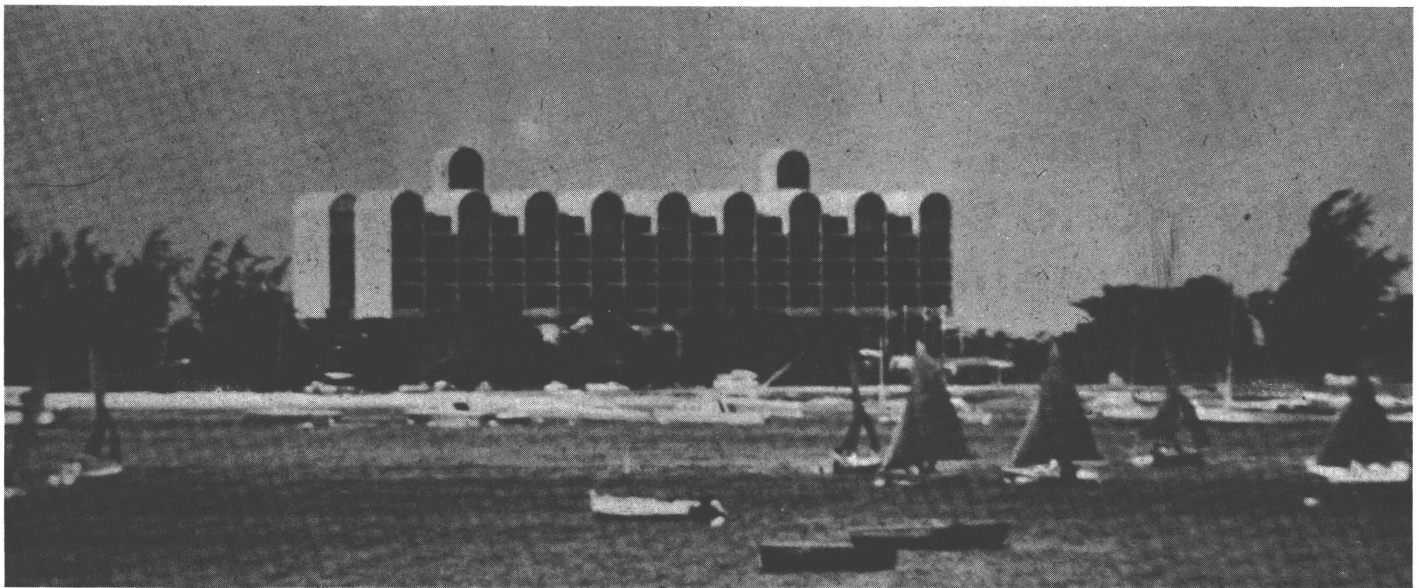
The following sectors are covered:

Type of studies:	
Tourism in general	33 %
Tourist promotion	1 %
Tourism and hotel trade	1 %
Hotel trade	33 %
Setting up restaurants	17 %
Hotel reception	5 %
Catering	11 %
Total	100 %

The ACP countries and the Community give priority to providing locally-available education facilities



JOHN AND PENNY HUBLEY



A hotel like this one in Barbados needs highly efficient staff. Article 141 of the Lomé II Convention provides for the training of nationals and helps avoid the need to bring in foreigners

The breakdown by socio-professional category is roughly as follows:

Higher management	5 %
Middle management	20 %
Qualified executive	45 %
Unqualified executive	30 %
Total	100 %

A certain number of tourist training seminars have been run in various ACP states. Togo(1), for example, has had a seminar on tourist development as part of its drive to achieve the aims of the country's third (1976-80) economic and social development plan. This puts priority on the tourist sector, with a view to:

- completing the hotel infrastructure throughout the country and in the capital itself;
- setting up a tourist centre on Lake Togo;
- setting up a tourist centre near Aneho Lagoon;
- developing various tourist sites.

As Togo's reception capacity is expanding and there are now more than 1 000 hotel-rooms, of which 289 are inland and 740 plus 16 presidential villas are in Lomé, there are obvious problems of training.

Togo has applied for EDF aid and the fund has assessed training requirements in the light of the state of advancement of the country's projects. The number of jobs has been estimated as follows:

Administration and management	10.5 %	103
Reception	11 %	108
Room staff	12.8 %	125
Bars and restaurants	22.4 %	219
Kitchen and washing-up staff	16.2 %	158
Various technical service	27.1 %	262
Total	100 %	975

The EDF produced a training programme for the various grades of staff in the light of these figures.

(1) The countries which have had greatest recourse to EDF aid to train staff for the tourist sector are the Ivory Coast, Central Africa, Gabon, Upper Volta, Jamaica, Lesotho, the Netherlands Antilles, Mauritania, Mali, Benin, Burundi, Swaziland, Suriname, Senegal, Cameroon, Chad, Togo and Tonga.

Technical assistance and training schemes for the tourist sector are also provided for in the cooperation agreements with the Maghreb and the Mashreq. Egypt and Tunisia have a particularly flourishing tourist trade.

Various schemes have been run (Barbados, Grenada, Guyana, Nigeria, Zambia, and the Netherlands Antilles) to promote and plan tourist schemes. Other countries (Botswana, Suriname, et al.) have also applied for technical assistance or for seminars to be run locally to train technical staff and managers for the tourist trade.

It is also worth noting that the Community programmes have helped finance a number of catering schools and centres and other vocational establishments concerned with the tourist trade.

For example, the EDF has financed a school of catering in Lomé. This is attached to the Benin Hotel, fully staffed by Africans and already in operation. Since the courses it offers are geared to needs in the tourist trade which are clearly laid down in the national plan, all students are assured of a job once they complete their training.

Training centres should be designed in the light of tourist demand and development forecasts. The Conseil de l'Entente has also drawn up a project for a regional training centre, probably at Ouagadougou (Upper Volta), with the aim of meeting the needs of the five member countries.

Various technical assistance schemes are linked to training programmes. One example of this is the major study (EDF-financed) on tourist development throughout the Caribbean, based on the idea that Europeans too seek the sun and they could well join the influx of tourists from North America.

To sum up, then, the provisions of Lomé II on training (articles 114 and 141) and industrial training (article 68) offer wide scope for aid and cooperation in the tourist sector. The new Convention also opens the way for cooperation between EEC and ACP universities and institutes. This means that, in some cases, training and technical assistance schemes can be implemented, with EDF financing, by means of outline agreements between tourist schools in the ACP countries and specialist institutes in the member states of the Community. ○

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(*) Head of training at the EEC Commission directorate-general for development.

Haiti, the world's first black republic⁽¹⁾

"Once upon a time, there was an island where the slaves wanted to be free. They rose up together and won their freedom. The island used to be called Saint Domingo; now it is called Haiti."

Alexandre Dumas

A meeting on European development cooperation with Latin America was held in Rome on 19-21 June under the auspices of the chairmen of the EEC Council of Ministers, the Italy-Latin America Institute and the secretary-general of the Organization of American States. Pierre Pompée, Haiti's ambassador to the EEC, addressed the delegates, laying particular emphasis on the constraints of his country's economy in relation to the government's attempts at implementing its development plan. His speech, below, gives an introduction to Haiti's development policy.

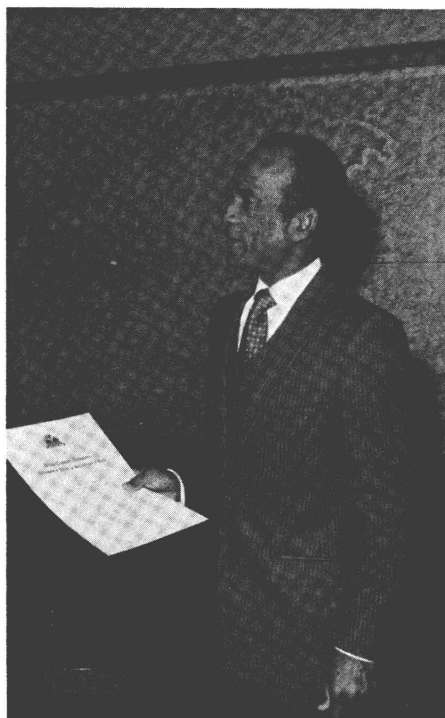
Latin America has not come from nowhere. A view of its history must also take in Europe, which long controlled this part of the world and particularly Haiti, that land of French culture and language in the heart of the Caribbean. Although sheer distance has separated us from Europe, the French language thrives and remains one of our links with France's undying culture.

So there are various reasons for Haiti being at this meeting, alongside her sister nations of Latin America, to try, with Europe, to come up with a lucid definition of tasks, to analyse the means of performing them and to programme the possible stages of action in the light of economic co-operation.

The limited amount of time at our disposal of course prevents us from going into the problems of Latin America and the Caribbean in general in any great detail.

But please allow us to emphasize one or two particular constraints and to start by putting the European observers on their guard against certain sections of the press which harbour ill intentions as far as Haiti is concerned and are more intent upon raising barriers than clarifying public opinion.

It is not possible to talk about economic constraints in Haiti without



Ambassador Pierre Pompée

taking some account of the physical and economic foundations and of the people. The country covers an estimated 27 000 km² and has a population of slightly more than five million, giving a density of about 200 people per km², one of the highest in the world. A recent official international expert report suggested that, in rural areas, each inhabitant had an average of at least 0.2 ha of arable land, assuming there is 870 000 km² of arable land, i.e. 31.3% of the total 2.77 million ha, and that 85% of the population lives on it.

Erosion, deforestation, bauxite and coffee

But even agriculture, the commonest resource, is exploited irrationally because of the serious problems of erosion which deforestation brings in its wake. What is the short-term answer when wood is the everyday fuel of the whole rural population? How can this environmental deterioration be restrained when the national operating budget is largely derived from customs duties and internal taxation? The

economy in general depends on just a few basic products. Our main mining industry, bauxite, only had any effect on our export figures recently, when the rates trebled. And the main crops grown on our smallholdings are at the mercy of the climate; good years are sometimes followed by bad ones, when production is poor. We must not overlook a whole series of problems, aggravated by repeated damage to our crops and to the most important element of our agriculture, coffee. There is also a shortage of credit in agriculture and industry, which prevents these sectors from being developed.

The government is well aware of these problems and, with various other organizations, it is encouraging agricultural cooperatives and other associations. But all these efforts in the rural sector demand time and money.

The production diversification programme

So the government has devised a production diversification programme to remove the obstacles to expansion of the national economy, make up the food shortfall and provide farmers with fresh resources. Official investments are being channelled into agricultural and road projects as well as into land development—drainage and irrigation programmes—and this outlay has been partly covered by an increase in foreign loans and their national counterparts. Haiti is also diversifying exports by means of tax incentives and moderate tariff protection, when the international economic climate is inflationary.

Our assembly industries constitute one of the most dynamic sectors of the economy, with more than 300 factories in operation at the present time. Certainly, the balance of payments is still affected by the fact that the country depends on foreign factors of production. A significant proportion of manufacturing is based on imported inputs and the finished products are re-exported with too little value added nationally; the government is trying to reverse this trend by encouraging the establishment of export-oriented processing industries. For example, our

(1) Independence was proclaimed by Jean-Jacques Dessalines on 1 January 1806.

Profile of Haiti

Area: 27 000 km²

Population (1980): almost 5.5 million

Rural population: 85%

Capital: Port-au-Prince

Main towns: Cap-Haitien, Cayes, Jacmel, Jérémie, Gonaïves and St Marc

GNP per capita: SDR 149 or \$ 178

Food crops: Sorghum, maize, rice, beans, starch and fruit (mangoes, figs, bananas, avocados, melons, apricots, pineapples, etc.).

Official language: French

Vernacular: Creole

System of government: Presidential

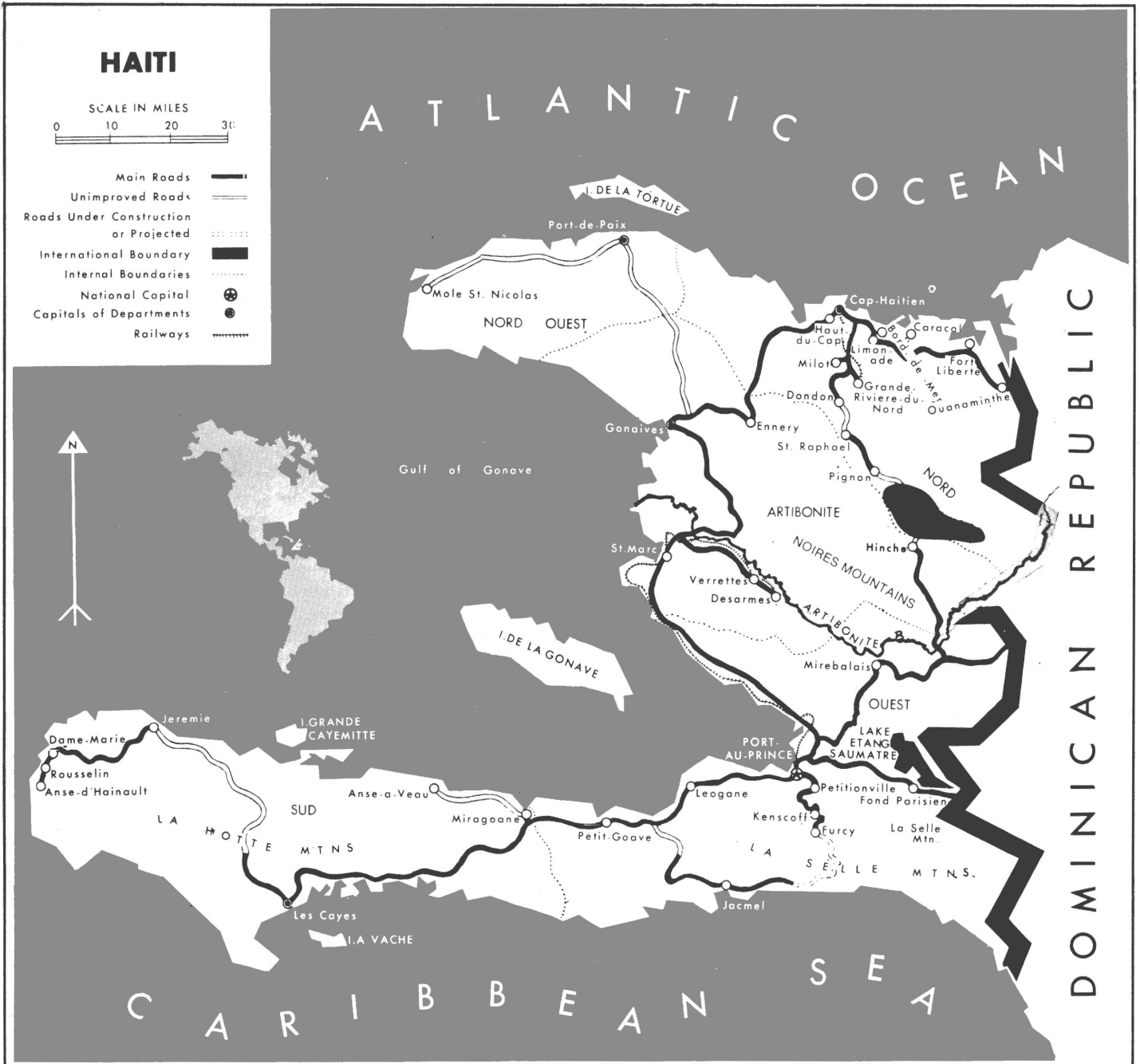
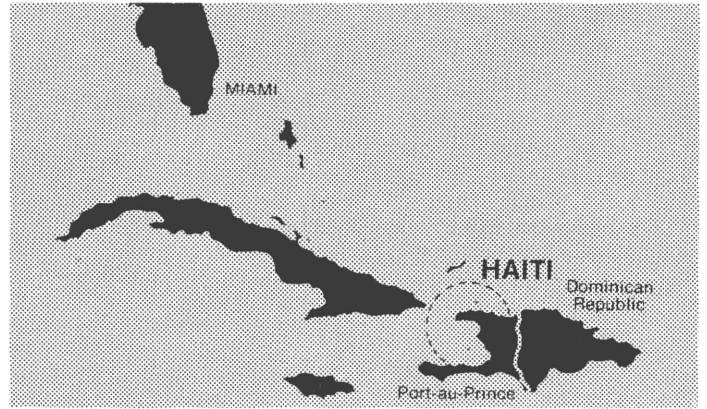
Head of State: Jean-Claude Duvalier

Currency: Gourde (5 to the dollar)

Main export products: Coffee, cocoa, essential oils, sisal, honey and bauxite

Main imports: Machinery, manufactures and fabrics

Main trading partners: USA, EEC, Japan and Hongkong



excess fruit and vegetable production is being exploited on a large scale by one or two agro-industrial firms.

Furthermore, we were having trouble getting banks to give us credit, but new legislation has eased this situation. In the tourist trade, the government is constantly improving the hotel infrastructure and this, combined with the natural attractions of Haiti and the cultural assets of its people, should ensure the expansion of this sector. Thousands of visitors are drawn by our climate and atmosphere of relaxation—quite the opposite of the unstable situation sometimes described the foreign press.

More aid to help the five-year plan

Obviously, there is a lot to be done if the country is to leave poverty behind. There are any number of variables in the development process and so more aid would help us with the implementation of our five-year plan, which is aimed at stepping up agricultural and industrial production, creating jobs, running a literacy campaign, solving the technology problem and exploiting our natural and energy resources (minerals, fish products, solar energy, the natural environment and so on).

It is also worth noting that we have opened an industrial zone which aims

to offer sites to investors from home and abroad, renting them standard industrial buildings at reasonable prices or leasing plots on a longer-term basis where firms can build factories to suit their own particular technical requirements.

The aims of the government

Political instability and the interminable series of political upheavals in Latin America and the Caribbean have often been blamed for our somewhat slow rate of economic and social development. This is the picture that foreign observers have always criticized. But it does not really provide an explanation—all nations have had their revolutions, after all. If this is true, then Haiti's political organization has an ideological foundation that is closely related to the characteristics of its development process, which reflects all the needs of the life of the nation.

Our government's aims, as outlined in the national plan, are thoroughly democratic. Objectives have been defined for all levels of national life and for each of the major sectors of the economy—agriculture, industry, external trade, taxation, infrastructure, public works and the administration, not forgetting the social sector (education, public health and the promotion and organization of the rural community)

—and the maximum of resources will be needed to achieve them. But planning is not enough.

We have followed the recommendations of foreign experts and improved our institutional administrative capacity, gearing it to development. Our tax laws have been overhauled and improved and all tax revenue now collected in Haiti is managed by the general tax and customs authorities and audited by the treasury. This important reform, which provoked such a favourable reaction on the part of the international financial organizations, the IMF included, means that we have a consolidated budget, an overall view of the public sector and a way of assessing government action.

In spite of a lack of resources right across the board, the government is still coping with the constraints. Obviously, economic progress cannot come overnight. It is a long-term affair demanding a constant effort and considerable determination. But, as the institutional constraints are being overcome and the human resources are there, it only remains for aid to be rationalized.

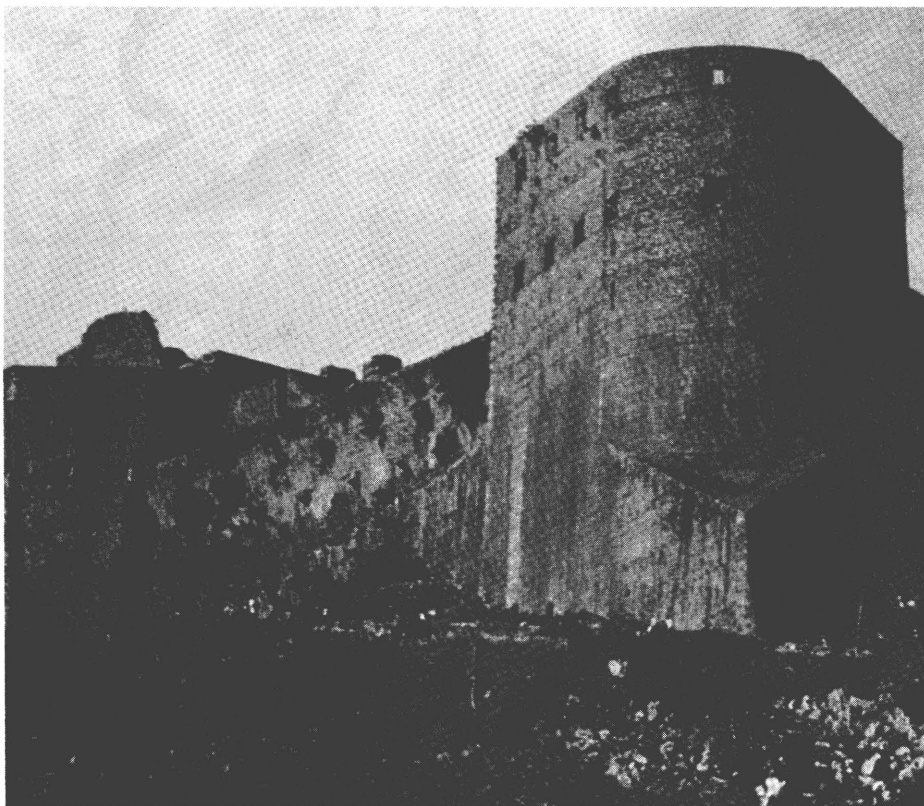
Not long ago, an international organization ran a study, as part of an external aid programme, to provide general information on the natural resources of 10 of the least developed countries, particularly their agricultural and energy potential. Relatively speaking, the report concluded, international co-operation has achieved very little in the way of bridging gaps and capitalizing on potential in these countries, of which Haiti is one, as commodities; coffee, cotton, sisal, sugar and so on, are still losing ground under the combined effects of atmospheric conditions and recession.

It is a great pity that all the measures that international conferences have so far come up with to raise the level of income in these countries have never got beyond the stage of pious hopes. In places where some progress is made, it is often found, disappointingly, that the motives of the bilateral donors are far from disinterested—which shows that aid is badly coordinated.

Meanwhile, our government is pressing on with the fight for development with what means it has.

The path to progress is never smooth and this is why we are once more asking for your co-operation and comprehension in our fight against underdevelopment and all its consequences. The ball is now in the court of international co-operation as the Third World, particularly the least advanced of its members, is evolving under the banner of the co-operation which the new international economic order demands. ○

P. P.



La Ferrière, the impressive fortification built by King Christopher at the beginning of the 19th century

EEC emergency aid for the Third World

War, famine and disease, floods and droughts, fires and plagues of insects are among the disasters in the developing world for which the Community provides some relief, alongside the longer-term measures for economic and social development contained mainly in the Lomé Convention.

Whatever the nature of these disasters, their cruellest result is often the homelessness of the millions of refugees they leave behind.

As the financial accounts begin to close on Lomé I, the following should give a brief account of the Community's increasing involvement in disaster relief, and especially in aid for refugees.

Emergency aid for refugees 1975-80

Since 1975(1) the Community has given aid worth \$570m to refugees and displaced persons, in food and cash, in 221 different cases.

The increasing number of actions and amount of aid committed over this period reflect the growing refugee problem in various parts of the world.

The Community gave aid worth \$40m in 16 cases in 1975; this had risen to \$140m in 68 cases in 1979, and the same figure of \$140m had already been reached by the end of the first half of this year.

Ways and means

The Community can help refugees in three ways:

— under the "exceptional aid" provisions in the Lomé Convention for the ACP countries(2);

— under the provisions in its own budget for civilian victims of catastrophes;

— by supplying food aid.

The latter gives the Community its principal means of assistance: food aid represented 79% (\$451m) of the total during the period in question (3), Lomé exceptional aid 6.6% (\$38m) and other forms of financial aid 14.2% (\$81m). However, financial aid has become more important in the last two years (37% in 1979 and for the first six months of 1980).

Areas of action

Over the 1975-80 period, EEC emergency aid of all kinds went to the following areas:

- Africa: \$160m (31%); (East Africa: \$91m of this);
- Middle East: \$150m (30%);
- Asia: \$184m (36%);
- Others: \$14m (3%).

(1) Up to 15.6.80.

(2) 150m EUA under Lomé I.

(3) Food aid calculated at world prices—the budgetary cost is considerably higher.

These percentages varied, naturally, from year to year. At the beginning of the period, aid to refugees in the Middle East was by far the main category, and by 1979 most aid (\$88m, 63%) went to refugees in South-East Asia. Africa has taken most (\$52m, 37%) in 1980 so far.

Cheysson: "a huge effort"

At a Brussels press conference on 8 July, EEC development commissioner Claude Cheysson said the Community had made "a huge effort" this year to aid refugees.

Over the 1975-80 period the refugee problem has worsened, while its focus has shifted from the Middle East to Asia and now to Africa, where some 32 million people are homeless. The tide of refugees is on the turn in some southern and western parts of Africa, but it is especially serious in East Africa (Ogaden, Eritrea, Uganda) where drought has added to the difficulties, Mr Cheysson said. There are 750 000 refugees in Somalia alone.

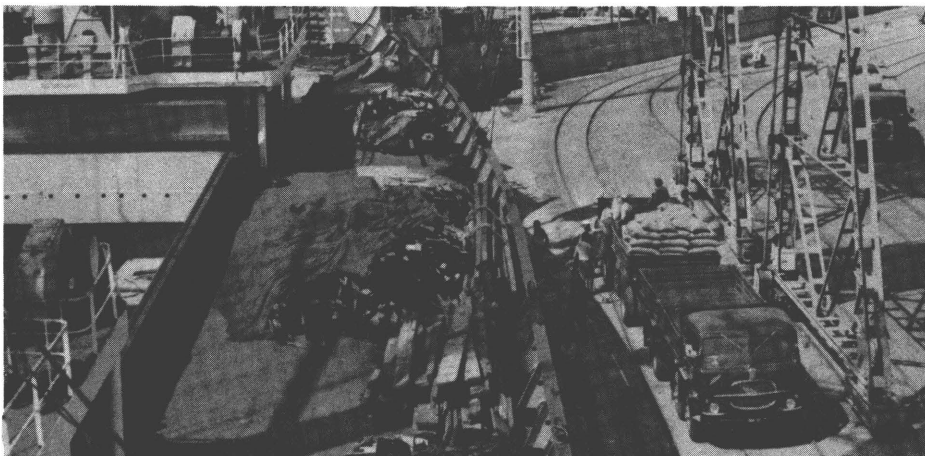
Although the refugee problem could be considered temporary in some countries (e.g. Zimbabwe, Angola, Zaire, Chad), elsewhere there was a danger of "Palestinization" through refugee camps becoming permanent, Mr Cheysson felt.

There had been "no progress" in solving the problem of the Vietnamese 'boat people'. A big worry was the difficulty of distributing aid in countries where communications have broken down: for example, the Community was "at a loss" how to get aid to north-eastern Uganda, Mr Cheysson said.

Emergency aid at the end of Lomé I

Under Lomé I, aid to refugees comes under article 59: "exceptional aid may be accorded to ACP states faced with serious difficulties resulting from natural disasters or comparable extraordinary circumstances" and "may take the form of works, supplies or provision of services, or cash payments".

Out of the 150m EUA allocated to this, only some 25m EUA remains, and more than a third of the money committed has gone in the last 18 months. Since January 1979, the Community has offered exceptional aid (under article 59 of Lomé I) worth 42 650 183 EUA, out of a total of 124 213 577 EUA for the 1976-80 period. This breaks down as follows:



Loading emergency food aid in Italy

Emergency aid decisions
(1 January 1979—30 June 1980)
Article 59 of Lomé I

Recipient country and implementing agency	Nature of the disaster	Amounts and dates EUA	Dates signature of agreements	Commitments EUA	Payments EUA
East Africa (1) (2)	locusts	300 000(*) (28.2.79)	9.3.79	300 000	300 000
Rwanda (Caritas Belgica)	meningitis epidemic	55 000(*) (5.3.79)	7.3.79	55 000	55 000
Fiji (gvt.)	hurricane	300 000 (9.3.79)	2.4.79	300 000	300 000
Rwanda (gvt.)	Uganda/Tanzania conflict	300 000 (16.3.79)	19.3.79	300 000	300 000
Rwanda (gvt.)	Uganda/Tanzania conflict	419 000(3) (16.3.1979)	19.3.79	419 000	419 000
Mali (WHO)	drought	220 000(*) (19.3.79)	24.3.79	220 000	220 000
Southern Africa(4) (UNHCR)	refugees from Namibia and Zimbabwe	4 700 000(*) (19.3.79)	2.4.79	4 700 000	3 600 000
Ghana (WHO)	drought	300 000(*) (5.4.79)	10.5.79	300 000	300 000
Fiji (gvt.)	hurricane Fay	1 200 000 (19.4.79)	17.5.79	1 200 000	1 200 000
Rwanda (gvt)	Uganda/Tanzania conflict	2 000 000 (19.4.79)	30.4.79	1 513 648(5)	1 513 648 (5)
Burundi (gvt.)	Uganda/Tanzania conflict (air lift)	2 000 000 (19.4.79)	25.4.79	2 000 000	1 989 810
Uganda (delegation)	overthrow of regime	300 000(*) (23.4.79)	27.4.79	300 000	300 000
Jamaica (gvt.)	floods	275 000 (8.6.79)	18.6.79	273 404	213 985
Sudan (UNHCR)	Ugandan refugees in southern Sudan	274 000(*) (21.6.79)	1.8.79	274 000	274 000
Cape Verde (gvt.)	drought	1 200 000 (27.6.79)	6.7.79	1 182 278	1 182 278
Uganda (AMREF)(6)	overthrow of regime	200 000(*) (2.7.79)	13.7.79	200 000	200 000
Fiji (gvt.)	hurricane Meli	300 000 (4.7.79)	6.9.79	300 000	300 000
Zambia (gvt.)	air attack	172 000 (11.7.79)	22.8.79	172 000	170 763
Sao Tome and Principe (gvt.)	swine fever	300 000 (3.8.79)	7.8.79	300 000	265 930
Equatorial Guinea (delegation)	overthrow of regime	300 000(*) (17.8.79)	28.8.79	300 000	300 000

Recipient country and implementing agency	Nature of the disaster	Amounts and dates EUA	Dates signature of agreements	Commitments EUA	Payments EUA
Mauritius (gvt.)	hurricane Celine II	700 000 (21.8.79)	18.9.79	700 000	700 000
Sudan (gvt.)	floods	990 000 (21.8.79)	19.12.79	976 514	476 720
Fiji (gvt.)	hurricane Meli	700 000 (21.8.79)	6.9.79	700 000	700 000
Tanzania (gvt.)	conflict with Uganda	300 000 (27.8.79)	11.9.79	221 569	165 619
Dominica (delegation)	hurricane David	300 000(*) (4.9.79)	13.9.79	300 000	300 000
Chad (delegation)	civil war	3 000 000(*) (1.10.79)	25.10.79	3 000 000	3 000 000
Central Africa (delegation)	overthrow of regime	300 000(*) (16.10.79)	14.11.79	300 000	300 000
Cape Verde (gvt.)	Locusts	300 000(*) (13.11.79)	21.11.79	300 000	300 000
		150 000 (13.12.79)	2.1.80	150 000	150 000
Malawi (Commission)	rail link cut (air lift)	1 074 530(7) (13.12.79)	19.12.79	1 074 530	1 074 530
Somalia(8) (delegation)	refugees	2 000 000 (20.12.79)	7.1.80	1 933 388	945 876
Somalia(8) (UNHCR)	refugees	390 653(*) (20.12.79)	14.1.80	390 653	350 000
Central Africa (delegation)	overthrow of regime	650 000(*) (20.12.79)	15.1.80	650 000	650 000
Zimbabwe (UNHCR)	refugees	3 000 000(*) (18.1.80)	24.1.80	3 000 000	3 000 000
Mauritius (gvt.)	hurricane Claudette	300 000 (31.1.80)	5.3.80	300 000	300 000
Mauritius (gvt.)	hurricane Claudette	850 000 (11.2.80)	5.3.80	735 303	113 575
Senegal (gvt.)	drought	300 000 (25.2.80)	26.3.80	292 000	272 680
Swaziland (gvt.)	foot-and-mouth disease	35 000 (28.2.80)	20.3.80	35 000	
Jamaica (gvt.)	floods	600 000 (3.3.80)	18.3.80	69 566	
Grenada (gvt.)	rain flooding	300 000 (5.3.80)	1.4.80	191 415	
Uganda (delg. + Commission)	drought	300 000 (20.3.80)	2.4.80	247 242	220 966
Senegal (gvt.)	drought	700 000 (2.4.80)	10.4.80	700 000	
Cameroon (gvt.)	refugees from Chad	300 000 (2.4.80)	18.4.80	282 253	167 171

Recipient country and implementing agency	Nature of the disaster	Amounts and dates EUA	Dates signature of agreements	Commitments EUA	Payments EUA
Somalia (UNHCR)	refugees	5 000 000(*) (2.4.80)	11.4.80	5 000 000	1 250 000
Ivory Coast (delegation)	village fire	125 000(*) (29.4.80)	13.5.80	125 000	125 000
Ghana (Commission)	epidemic	300 000 (2.5.80)	27.5.80	273 000	
Kenya (Caritas Germanica)	drought	120 000(*) (30.5.80)	6.6.80	120 000	120 000
Fiji (gvt.)	hurricanes Tia and Wally	300 000 (30.5.80)			
Mauritania (gvt.)	drought	150 000 (4.6.80)			
Djibouti (Commission)	drought	300 000 (5.6.80)	5.6.80	247 673	
Mauritania (gvt.)	damaged wharf Nouakchott	200 000 (6.6.80)			
Uganda (WFP)	famine	500 000(*) (12.6.80)	13.6.80	500 000	500 000
Sudan (UNHCR)	refugees	3 000 000(*) (17.6.80)			
Total		42 650 183		37 424 436	28 586 551

(*) Grant.

(1) Djibouti, Ethiopia, Kenya, Uganda, Somalia, Sudan and Tanzania.

(2) "Desert Locust Control Organization for Eastern Africa".

(3) Carry-over of outstanding exceptional aid allocated on 27.9.76.

(4) Botswana, Lesotho, Swaziland, Tanzania and Zambia.

(5) 486 352 EUA left over, to be returned to EDF- for further emergency aid financing.

(6) African Medical and Research Foundation.

(7) Initial allocation of 2 500 000 EUA; air lift discontinued on 10.2.80 with re-establishment of transport for fuel supplies, hence final amount: 1 074 530 EUA.

(8) Transfer of outstanding exceptional aid carried over from decision of 10.5.76.

Emergency aid 1980
(1 January—30 June)
Article 950 of the budget (cash payments)

Recipient country and implementing agency	Nature of the catastrophe	Amounts and dates EUA	Dates signature of agreements	Commitments(1) EUA	Payments(1) EUA
Portugal (UNDRO)	Earthquake, Azores	100 000 (7.1.80)	8.1.80	100 000	100 000
Afghan refugees in Pakistan (UNCHR)	refugees	300 000 (23.1.80)	8.2.80	300 000	300 000
		9 700 000 (15.2.80)	15.2.80	9 700 000	4 700 000

Recipient country and implementing agency	Nature of the catastrophe	Amounts and dates EUA	Dates signature of agreements	Commitments(1) EUA	Payments(1) EUA
Portugal (Secours Catholique)	Earthquake, Azores	300 000(2) (27.2.80)			
India (CRS)	drought	170 000 (5.3.80)	20.3.80	170 000	170 000
Angola (IRCC)	internal conflict	200 000 (2.4.80)	25.4.80	200 000	200 000
Victims of events in Kampuchea		20 000 000 Broken down as follows:			
— IRCC		6 000 000 (6.6.80)	25.6.80	6 000 000	6 000 000
— UNICEF		6 000 000 (6.6.80)	20.6.80	6 000 000	6 000 000
— FAO		500 000 (6.6.80)	20.6.80	500 000	500 000
— UNHCR		3 000 000 (6.6.80)	26.6.80	3 000 000	3 000 000
— OXFAM		2 500 000 (6.6.80)	19.6.80	2 500 000	2 500 000
— CCFD		300 000 (6.6.80)	16.6.80	300 000	300 000
— COE		300 000 (6.6.80)	16.6.80	300 000	300 000
— Secours Populaire		300 000 (6.6.80)	13.6.80	300 000	300 000
— Entr'aide Tiers monde		200 000 (6.6.80)	13.6.80	200 000	200 000
— Hilfsaktion Vietnam		180 000 (6.6.80)	24.6.80	180 000	180 000
— Secours Catholique		170 000 (6.6.80)	18.6.80	170 000	170 000
— Médecins sans frontières		160 000 (6.6.80)	25.6.80	160 000	160 000
— L'Appel		150 000 (6.6.80)	18.6.80	150 000	150 000
— Caritas Italiana		65 000 (6.6.80)			
— Réserve		175 000			
Zimbabwe	refugees	8 000 000(3) (17.6.80)	24.6.80	8 000 000	3 000 000
Total		38 770 000		38 230 000	28 230 000

(1) Commitment: agreement between Commission and beneficiary. Payment: payment order cleared by emergency aid departement.

(2) Depending on retrieval (now being carried out) of unused tents sent to the Azores through UNDRO.

(3) Of which 1 087 000 EUA for a campaign against foot-and-mouth disease on the Botswana border.

DOMINICA

After the hurricane, EEC aid for rebuilding

by Michael RUDDER(*)

Have you ever wondered what would happen to you in "the teeth" of a two-hundred mile per hour wind? I would venture to say that few of us, if any, would have any idea of what it would be like, but the people of Dominica do.

Can you conceive of 491.2 tons of galvanised roofing sheets? Again I would bet that only those concerned with the manufacture of such roofing sheets would have an idea what it would look like.

At the risk of turning off the non-mathematical, let's give you an easy problem.

What would be the total tonnage of basic food items supplied to a country of 80 000 (eighty thousand) persons if they each got 12.23 lbs of meat, 11.4 lbs of chicken, 9.1 lbs of fish and 4.7 lbs of flour and peas and other pulses over a twelve week period?

That is an unfair question, especially since that meat is made up of corned beef, luncheon meat, fresh pork, pickled meat and various other pluses, fish of different types and fresh and canned chicken. Some of the weights will be mentioned below but I can tell you the answers may be found at the EEC delegation, Sunjet House, Bridgetown, Barbados.

It was the EEC (European Economic Community) which responded with 300 000 units of account five days after the disastrous hurricane David hit Dominica on 29 August, 1979.

The response

From the very first reports it was clear that a major disaster had struck Dominica, and just like the response to St. Vincent in April when the Soufriere volcano erupted, the Brussels response was a prompt \$ EC 1 139 700 or \$ US 421 500. As a result of this aid the first 760 tons of food left Barbados on

11 September for Dominica. This was the beginning of a massive operation which saw in the end 1 725 tons of food delivered, along with 491 tons of roofing sheets, 10 tons of roofing nails, 1 733 tons of timber, 21 emergency generating sets at a total cost of \$ EC 12 536 700 or \$ US 4 636 500 all in grant.

Some questions immediately come to mind. Who worked on moving all these materials? Where did they come from?

Again the answers may be found at the offices of the delegation. Or at any rate some of the answers because the rest can be found in the heart of one Bridgetown businessman who gave up many week-ends and early evenings to get the job done.

Every item was bought on the basis of tender, no one person had a monopoly. Indeed the businessman who arranged the shipping did so without a mark-up on the original invoices for the relief goods forwarded to Dominica. His company did supply some of the goods but strictly on the basis of legal tender.

When a catastrophe like hurricane David strikes, there is need for immediate relief, food, clothing, shelter. Thereafter it's a question of rehabilitation. The EEC elected to fill the gap between immediate need and rehabilitation.

The EEC delegate in Barbados, Graham Kelly, who was recalled from

leave to deal with the logistics, concluded that Dominica may have ended up with more food than required but that was better than having people facing starvation.

Add to the above quantities, baby food, cheese, cooking oil, potatoes, biscuits, etc., one sees emerging a whole spectrum of aid, enough to supply the total population with a more than adequate diet for three months.

The response to Dominica's disaster was, however, more than food and roofing material.

Under Stabex, the price stabilization formula of the Lomé Convention the government of Dominica was the recipient of \$ EC 9 million or \$ US 3.3 m. The price stabilization fund comes into operation when market prices of primary products are depressed, through no fault of the producer, or if there is some natural disaster in production.

In this case the total banana production was wiped out and the nine million dollars represented an advance cash equivalent of the anticipated revenue from bananas.

Rebuilding

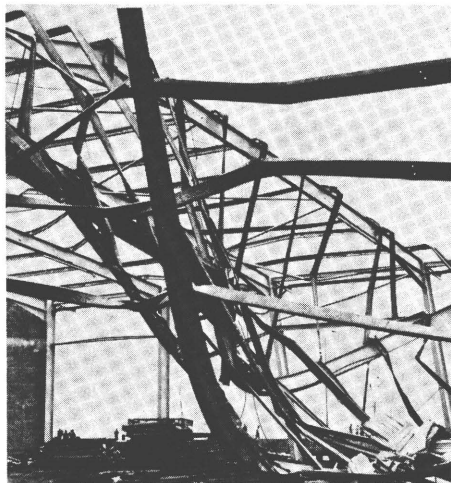
One of the unique things about the hurricane was the amount of structural damage caused. In fact a structural engineer who has been to many conferences on wind disaster said that there were more damaged buildings in the Dominican case than he ever saw from examples shown at international conferences.

The August '79 experience he noted, suggests that there is a need for a blueprint to disaster preparedness.



Six months later re-roofing is well in hand in Roseau, with the EEC providing 491 tonnes of roofing sheets

(*) Local correspondent of the delegation of the Commission.



Dominica, August 1979: the aftermath of hurricane David

The questions are, "Can most critical buildings perform well enough? Will hospitals, police stations, army buildings be functional after the disaster?"

Preventive measure

The engineer observed that a new science of "systematic abatement of seismic hazards" is being developed. This clearly spells out the need to have critical buildings roofed with material other than galvanized zinc or aluminium. This material cannot be guaranteed, he said, but neither could an answer be found as to why one building next to another of similar construction remains whilst the other falls.

What is important is to ensure that the critical buildings are intact or at least functioning in the event of similar upheavals. Systematic abatement of seismic hazards is a programme for professionals who will recommend any improvements needed to critical buildings and here again the EEC (European Economic Community) stands ready to assist under the Lomé Convention.

On the basis of barometric readings—taking into account the period of measurement, topography and the height above ground level—estimated wind speeds during "David" were between 171 to 226 mph.

Can we build to withstand those speeds? The answer is yes. But, should we? The answer is no. It is not economically feasible to do so with every building.

To help Dominica the European Economic Community has been deeply involved, through relief, rehabilitation, price stabilization grants and the provision of building and other materials to the tune of EC \$ 21.5 million and the story is not over yet. ○ M.R.

European Community aid to the Caribbean region 1975/85

There are ten states(1) in the Caribbean signatory to the second Lomé Convention concluded between the EEC and 59 African, Caribbean and Pacific states (ACP), to which should be added nine more countries of the region, associated(2) with the EEC under the decision on the overseas countries and territories.

These states and countries all enjoy virtually the same treatment, comprising financial and technical cooperation, the benefits of the system for the stabilization of export earnings (Stabex), practically free access to the Community market for their goods, guaranteed prices and import quotas into the EEC for sugar and so on.

Besides this the Community has been pursuing since 1978 a policy of financial and technical assistance to non-associated states, from which Haiti and the Dominican Republic draw benefit.

As far as the ACP states and the overseas countries and territories are concerned, besides the numerous contributions in the form of non-programmable aid which it is not possible to programme under the Lomé Convention of other Community policies vis-à-vis the Third World (exceptional aid for disaster victims, food aid, Stabex, contributions towards aid given by non-governmental organizations), programmable aid is at present provided on a five-year period basis, which gives undeniable security and fits in with the medium-term plans of the recipient countries, constituting a definite improvement on occasional, annual doses of aid which are subject to the internal bargaining that occurs when the budgets of the different aid sources are drawn up.

Programming is carried out:

— In collaboration with each recipient government in order to allocate by sector the sums allotted to each ACP state;

— on a regional basis, to finance projects that will contribute towards the general economic development of the Caribbean; the fact that most states in the region are islands means that they are particularly vulnerable, economically speaking, and this situation cannot be remedied without joint action to

establish or improve the different sectors of the economy, which are essential to the vitality of each of the islands in the region.

1976-79

Total Community contributions over this period amounted to 189 million European Units of Account (EUA) or some US \$261 million.

During the period covered by the fourth European Development Fund (EDF) (1975-79) some 135 million EUA (3) (\$ 187 million) was programmed for projects and technical assistance benefiting this group of states and countries. It can be broken down as follows:

— 76 million EUA (\$ 106 million) for the ACP;

— 32 million EUA (\$ 44 million) for the OCT;

— 27 million EUA (\$ 38 million) for regional projects.

Commitments have been made for most of the projects planned. As regards the individual national programmes, over 90% of the funds have been committed, with the exception of three countries(4), and the remaining sums are already being used in several countries for the financing of preliminary studies to speed up the appraisal of projects to be presented for financing under the fifth EDF in the period 1980-85.

Financial commitments have been made under the regional programme for twelve projects amounting to 14 455 000 EUA (\$ 20 million), or 55.6% of the total available. There remain only two projects for which funds still have to be committed once all the necessary information has been assembled—these are the WISCO and the LIAT projects—meaning that all the projects agreed upon in 1977 with

(1) ACP states: Bahamas, Barbados, Dominica, Grenada, Guyana, Jamaica, St. Lucia, St. Vincent and the Grenadines, Surinam, Trinidad and Tobago.

(2) OCT: Anguilla, Antigua, Belize, Cayman Islands, Montserrat, Netherlands Antilles, Saint Kitts and Nevis, Turks and Caicos Islands, Virgin Islands.

(3) 1 EUA = approx. \$ 1.4.

(4) Commitment rate at 15 May 1980: Bahamas 100%; Barbados 100%, Dominica 91%; Grenada 99%; Guyana 96%; Jamaica 88%; Saint Lucia 72%, Saint Vincent and the Grenadines 92%; Surinam 36%; Trinidad and Tobago 55%.

**Caribbean area
Total EEC aid — Lomé I period
1975/79**

	EUA (000)(*)	US \$ (000)
I. Financial and technical cooperation Lomé I		
ACP 4th EDF, indicative programmes	76 275	105 564
OCT 4th EDF, indicative programmes	31 565	43 686
Regional programme	27 500	38 060
Total 4th EDF indicative programmes	135 340	187 310
II. Other interventions		
Exceptional aid	6 775	9 376
Food aid	12 676	17 543
Stabex	3 235	4 478
NGOs	1 303	1 803
European Investment Bank	19 770	27 362
Special action CCEI (Guyana)	2 167	3 000
Lomé I: Total EEC intervention	181 266	250 872
III. Financial and technical cooperation for Haiti	7 400	10 242
IV Total EEC intervention	188 666	261 114

(*) 1 EUA = approx. US \$ 1.4.

**Caribbean region
EEC financial and technical aid to
non-associated developing countries**

Year	Haiti	Dominican Republic
1978	<p>— Integrated rural development JACMEL Co-financed France - EEC = 0.8 m EUA (US \$1 107 000)</p> <p>— Rural hygiene posts and water supply Co-financed IDB -EEC = 1.6 m EUA (US \$2 214 000)</p>	
1979	<p>— Study: integrated rural development Co-financed IDB - EEC = 5.0m EUA (US \$5.92m)</p>	
1980	<p>Programme still to be drawn up</p> <p>EEC ready to continue similar effort to last year in rural sector</p>	<p>Reconstruction programme after hurricane David: project being examined. Final part of Rio Yacque Sur</p>

**European investment bank
Lomé I — Caribbean
1975-79**

	M EUA	US \$ mio
Barbados: Global loan to Barbados Development Bank	2.50	3.46
Guyana: Risk capital — forestry project	3.20	4.42
Jamaica: Risk capital for feasibility study	0.07	0.09
Trinidad and Tobago: Global loans to "Trinidad and Tobago Development Finance Company", signed:		
1978	5.00	6.92
1980	5.00	6.92
Regional:	15.77	21.81
Global loan to the "Caribbean Development Bank"—1978	3.00	4.15
Risk capital. Venture capital for the "Caribbean Investment Corporation"—1979	1.00	1.38
	4.00	5.53
Total	19.77	27.34



John and Penny Hubley—EDF

Checking the EDF-financed irrigation system in the Eastern Potosi banana plantation, Jamaica

CARICOM and the CDB will have been started.

There are other schemes, which bring total Community contributions up to 181 million EUA (US \$ 251 million).

These schemes consist mainly of the following:

— Emergency aid to the tune of 6.8 million EUA (US \$ 9 million) granted to certain states in the region stricken by natural disasters:

(a) eruption of the Soufrière volcano on Saint Vincent: 300 000 EUA (\$ 415 000);

(b) flooding in Jamaica: 875 000 EUA (\$ 1.2 million);

(c) hurricanes "David" and "Frederick", following which the Community reacted very speedily with donations to: (5) Dominica—3.3 million EUA (\$ 4.6 million);

the Dominican Republic—600 000 EUA (\$ 830 000);

Haiti—100 000 EUA (\$ 138 000);

Montserrat—100 000 EUA (\$ 138 000);

Saint Kitts-Nevis—100 000 EOA (\$ 138 000);

Saba—100 000 EUA (\$ 138 000);

and lastly

(d) torrential rain last winter in Grenada—300 000 EUA (\$415 000).

— Contributions from the European Investment Bank (EIB) to the tune of 20 million EUA (\$ 27 million), some in the form of national loans (to Barbados, Guyana, Jamaica, Trinidad and Tobago) and others in the form of regional loans (CDB, CIC).

Besides the programmes of financial and technical cooperation with the ACP states and OCT and the regional projects, and in addition to its other contributions, the EEC's financial and technical aid to the Caribbean region also comprised schemes in Haiti in 1978 and 1979 costing 7.4 million EUA (\$ 10.2 million) for three projects cofinanced with France or the IDB.

This brings the total Community contribution up to 189 million EUA (\$ 261 million).

1980-85

Whereas the national Parliaments are still in the process of ratifying the second Lomé Convention, signed on 31 October 1979, programming of the fifth EDF to cover the period 1980-85 has already begun. It is hoped therefore that the first commitments for the new financial and technical cooperation programmes will be made early in 1981.

The total funds to be allocated to this region by way of financial and technical cooperation under the fifth EDF and from the European Investment Bank, or

under the Community policy on aid to states that are not signatory to the second Lomé Convention, will amount over the next five years to at least 250 million EUA (some \$ 350 million), broken down as shown below.

National indicative programmes for the ACP

Eight programming missions have been carried out to date and the relevant indicative programmes signed, as regards both the EDF and the EIB. In their negotiations with the Commission these ACP states accepted the various objectives of Community aid for 1980-85 in respect of their national programmes and expressed their wishes concerning the future regional programme for the Caribbean. These objectives concern sectoral schemes which vary according to the ACP state involved, taking account of its guidelines for development and considering any other sources of financing.

Programming is complete for the ACP Caribbean states. The total funds allocated to the national indicative programmes for all these ACP states amount to 95.7 million EUA (\$ 132 million). To this should be added any transfer from the funds earmarked for the Stabex system (550 million EUA or \$ 761 million), for trade promotion and tourism (40 million EUA or \$ 55 million), for emergency aid (between 60 million EUA and 200 million EUA or between \$ 83 million and \$ 277 million) and so on.

From the programming missions already carried out it has become clear that the states concerned wish to concentrate, in the eight existing indicative programmes, on the following sectors:

— agriculture and fisheries—42 %;

— social infrastructure, health, training and technical assistance—30 %;

— tourism and trade promotion—8 %;

— transport and communications—3 %;

— microprojects—3 %

and forming a reserve fund to permit flexibility for future adjustments—14 %.

OCT allocation for the Caribbean

Over the five years to come 94 million EUA (US \$130 million) will be allotted to the associated OCT, of which sum a large proportion will fall due to this region: as with the states signatory to the second Lomé Convention, there will be a large share allocated in the form of programmable aid, a share for regional projects and a share under the Stabex system, as emergency aid and so on.

Although the precise amount to be allocated to the OCT in the Caribbean region has not yet been set (the total has to be divided among the Caribbean, Pacific and Indian Ocean OCT), it is probable that they, will receive at least 50 million EUA (US \$69.2 million).

Other states in the region

It is planned to continue with annual

financial and technical cooperation schemes for other States in this region.

Apart from the contribution mentioned earlier to cofinancing operations in Haiti in 1978 and 1979, a possible commitment of about 3 million EUA (US \$4.2 million) for an irrigation in the Dominican Republic is under consideration.

Moreover, an amount of about 4 MEUA (US \$ 5.5 m) is under consideration for Haiti which as in preceding years would mainly concern agricultural development.

European Investment Bank

In the course of missions already carried out, some ACP states indicated their interest in having certain projects financed by the European Investment Bank. As a result of this, an amount of about 35 million EUA (US \$48.4 million) could be envisaged for EIB assistance towards the development of these ACP states.

Regional schemes

The sum of 55 million EUA (US \$76.1 million) has been allocated for regional projects in the ACP states of the Caribbean. In addition there will be the Caribbean's share of the 11 million EUA (US \$15.8 million) referred to above for regional projects in the OCT.

Also, regional trade promotion or tourism projects will be able to benefit from special funds set aside for that purpose—these funds are put at 40 million EUA (\$ 55.4 million) for all the ACP states.

During these missions the Community stated its readiness—and will do so during forthcoming missions to—to contribute towards regional projects requested by two or more neighbouring states or by regional bodies in the interests of the general economic development of the region.

Requests have already been made during the recent programming missions by the different national authorities or regional institutions visited: it is probable that a considerable share of this allocation will be used for the continuation of certain projects already started under the fourth EDF, namely sea and air transport and communications. Several other requests have been received and these concern agriculture, training and health in particular.

The size of the sum allocated to regional projects—nearly two and a half times that allocated to such projects in the preceding period—is a clear illustration of the Community's intention to respond generously to requests from the national or regional authorities for help in alleviating the region's specific handicaps and to contribute, as it has already started doing in recent years, towards the regional cohesion desired by the different states in the Caribbean.

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(5) To this should be added 1 MEUA (1 380 Mio US \$) to Martinique and Guadeloupe drawn from funds earmarked for disasters inside the Community.

BOOKS

Louis BAECK — **De Derde Wereld in ontwikkeling** (The development of the Third World) — Davidsfonds keurreeks N° 143 — Louvain — 237 pages — 1979

In this work, Louis Baeck, the author of a dozen books on international and European development, analyses the problem of the development of the Third World.

He does not confine himself to the economic aspects of it, preferring to adopt a global approach which also covers social, political, cultural and geopolitical matters.

Two main development models are outlined: the classic model based on national growth and industrial expansion, and a self-reliance model which aims to meet basic needs.

Baeck comes down firmly in favour of the latter, for, as he sees it, development is primarily a question of ensuring the wellbeing of all sections of the population, including the most underprivileged. And he is sceptical as to the scope of the North-South dialogue.

The new international economic order and the development strategies geared to it are in danger of once more favouring the elite of the Third World and of not distributing any greater prosperity fairly.

As Baeck sees it, the new order should not just be economic. It should also, and perhaps this is the most important thing, be concerned with the political emancipation of the Third World at both national and international level.

The final chapter deals with the approach which Belgium, as a Western and a European nation, has adopted in its relations with the Third World.

Aid has given way to cooperation, but it is a cooperation that needs rethinking and reshaping to make it more effective, says Baeck.

The aim must of course, still be better living conditions for the people of the Third World.

Louis Baeck holds a doctorate in economics from the Catholic university of Louvain and an MA from Berkeley, California. He began his career in 1954 as a research officer in Rwanda and Burundi and went on from there to teach at the Lovanium university of Kinshasa. Since 1961, he has been

professor of economics and international development at his old university in Louvain.

He is also chairman of an interdisciplinary council on development cooperation.

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Research strengths of universities in the developing countries of the Commonwealth — Association of Commonwealth Universities, 36 Gordon Square, London WC1H 0PF — 1978 — £3.50

Flood control in Bangladesh, trypanosomiasis in Kenya and Nigeria, solar technology in Singapore and the West Indies, fish culture in Malaysia and Malawi, leprosy in India, oral traditions in the Pacific—these are just a few of the important areas in which this register records research strengths.

Containing 40% more entries than the first edition (1976), this second edition describes briefly 1840 research areas in which universities in developing countries of the Commonwealth say they can offer strong facilities to, and would welcome, academic staff and postdoctoral or graduate students from other Commonwealth developing countries who wish to undertake advanced study or research.

But universities in other parts of the world, government departments, foundations and international organizations will also find the book of value. It contains entries submitted by 96 universities in 16 countries or areas (Bangladesh, Ghana, Hong Kong, India, Kenya, Malawi, Malaysia, Nigeria, Papua New Guinea, Singapore, South Pacific, Sri Lanka, Tanzania, Uganda, West Indies, Zambia).

As well as concise descriptions of each research area, the number of researchers working in the area is given, and notes on any special equipment, important library collections or other features.

Appendices list all the centres of advanced study in Indian universities and the addresses of the 96 universities with entries in the book, and describe the Commonwealth Fund for Technical Cooperation and the Commonwealth Scholarship and Fellowship Plan.

The book has been prepared by the ACU in association with the Commonwealth Secretariat.

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Mustapha DRISS — **Pour vaincre le chômage** (Beating unemployment) — Editions Ente, 12 rue Honoré-Chevalier, 75006, Paris — 148 pages — FF 38

As the title suggests, this book deals with employment, a fundamental, worldwide problem for individuals and governments alike.

Unemployment is a scourge of the modern world. It affects both industrialized and Third World nations and it is getting worse.

None of the answers put forward so far has done much to halt the process.

Mustapha Driss gives a radically new analysis of the international economic situation and finds the root of the problem in the nature of international relations.

His bold solution, calling for a change in economic thinking, is based on a theory of trade which combines the advantages of international commerce with full employment.

It is clear and practical. It implies no concessions at international level nor division at national level.

It is a new theory of full employment that has emerged from a fresh look at free trade.

The book is deliberately concise and, surprisingly in view of the subject matter, easy to read. It is aimed at a wide audience and not just the specialists.

The simplicity of the vocabulary does not detract from the rigour of the analysis, so complex problems such as inflation, competition and productivity are made easy to understand.

Mr Driss, a Tunisian businessman, was trained as an economist. He says he spent 25 years pondering the economic and social contradictions of the modern world before deciding to write up his conclusions. This book is the first result of his reflexions.

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A.T. GROVE and F.M.G. KLEIN — **Rural Africa** — Cambridge University Press — 120 pages — £ 2.95 — 1980

This is a comprehensive study by two British academics, an educational presentation of the various rural systems of

Africa, ranging from desert to tropical forest and showing how each type of agricultural and pastoral system fits into the economy and local ecology.

It is a simple, useful work aimed at a wide public.

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Report on world development, 1978
— World Bank, Washington DC — 133 pages — 1978

The 1978 report, the first of a series of annual reports on the major aspects of development, looks at a certain number of fundamental problems facing the developing countries in a changing international situation.

Further annual reports will gradually enlarge upon this initial analysis.

The report emphasizes two distinct but inseparable development aims—accelerating growth and reducing poverty. Many interesting problems are dealt with.

There is a summary of achievements in the developing countries, details of the current international climate and the problems of international policy (growth and protectionism in the industrialized world, energy and food prospects), the outlook for the low-income countries of Asia, Africa south of the Sahara and countries with an intermediate level of income.

The overall impression is one of a high quality piece of work based on the best information and most reliable statistics.

Anyone genuinely interested in the problems of development and international cooperation should read and refer to this book—it provides far more information than most works on the economics of development.

The boost given to the economics of development in the early days by the economists at the UN secretariat-general in New York is well known.

The World Bank too was quick to come to the fore in this field and it would be no exaggeration to say that, with the IMF, it plays a decisive part in the development of ideas in the economics of development, in the cooperation policy of industrialized countries and in the development policies of the countries of the Third World (viz. the case of Zaire at the moment).

Is it out of the question for the EEC Commission, with its extensive field of action in the Third World, its more than 20 years of experience and its considerable means (comparable with those of the World Bank), to take part in this drive to inform, analyse and reflect on the future?

The Commission, the focus of European thinking, has either declined or been unable to do so thus far. Could it not follow this example?

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Afrique contemporaine (Contemporary Africa) — Documentation française, 29-31 Quai Voltaire, 75340, Paris Cedex 07 — 1979

This special issue of *Afrique contemporaine* is devoted to Christian missions and churches in black Africa. The first study was carried out by Father Bouchaud, the present head of the Spiritains resource centre in Rome.

He previously served almost 30 years in Africa, mainly in Cameroon and Central Africa and he was responsible for running the international journal *Pentecôte*.

He begins with various general considerations and goes on to describe the emergence of the African Catholic Church alongside missions that had been in certain countries for many years. Part two deals with the specific problems of catholicism in Africa.

Then after details of the establishment of religious orders, including the contemplative ones, in certain African countries, the author ends with a discussion of relations between the Catholic Church and the Protestant churches, Islam, traditional religions and the state religions.

The second study is by André Roux, a pastor, who spent many years as a missionary in the Ivory Coast, Benin and Togo and used to be head of the evangelical mission schools. It deals with the protestant church.

He explains how the Protestant missions grew up, the passage from mission to church and goes on to describe the current problems, which often echo those facing the Catholic Church, i.e. the creation of an African theology, the autonomy of African churches and the problems of a possible moratorium on the sending out of missionaries and funds. But while the African Catholic

bishops have taken a stand against this plan, the Protestant churches have come out in favour.

Part two of the review contains the usual calendar—a short list of dates from mid-May to mid-June (the Kigali conference on 21-22 May 1979, UNCTAD V in Manila on 7 May-3 June 1979 and the coup d'état in Ghana on 4 June 1979).

In addition there is the constitution of the Rwandese Republic and the convention setting up the Panafrican Information Agency.

The bibliography covers more than 50 books on religion. Four biographies complete the volume. They are of Mohamed Mahmoud Ould Ahmed Louly (Mauritanian head of state), Mohamed Khouna Ould Heydala (Mauritanian PM), Josiah Zion Gumede (the first black President of Zimbabwe) and the late lamented Hubert Deschamps.

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Roger RIDDELL — Education for Employment — Catholic Institute for International Relations, 1, Cambridge Terrace, London NW1 4JL — 72 pp., 1980 — £ 0.60

The CIIR has been producing a series of booklets, called "From Rhodesia to Zimbabwe", which examine the changes which will be necessary in that country's administrative, legal, social and economic institutions.

Education was one of the central as well as most controversial issues in the recent election campaign, and Roger Riddell, the editor of this CIIR series, looks ahead by stressing the "inextricable link" between education and development.

The booklet documents the education system's role in underpinning racial inequality in Rhodesia, but warns that an increase of opportunity for blacks to benefit from a "white" education will not solve the underlying problems. A better life for the black population will only come from greater economic opportunities.

"Experiences in post-colonial Africa... show that the worse the educated unemployment situation gets and the more useless educational certificates become, the stronger grows the pressure for an expansion of educational facilities".

This must be resisted, Riddell argues, in favour of "a new approach to education, one which is specifically concerned with providing education for employment".

While admitting the great complexity and difficulty of the subject, he puts forward some concrete proposals, starting with the first educational steps to be taken in helping to put the country back together again.

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René DUMONT & Nicholas COHEN — **The Growth of Hunger — A New Politics of Agriculture** — Marion Boyars Publishers Ltd, 18 Brewer Street, London W1R 4AS — 230 pp. — £ 3.50 — 1980

Except in the West, the world suffers from famines of increasing proportions. The Third World population explosion and the inability to significantly increase food production have combined to produce a perpetual spiral of food demand outstripping supply.

Relief from the richer countries comes mainly in the form of charitable monetary aid and often useless exported technological know-how.

In "The Growth of Hunger" René Dumont and Nicholas Cohen, themselves experts in the fields of ecology and nutrition, give exact reasons for famine, the roles played by Western societies, and their effects on weaker, less wealthy nations.

The policy of cheap food, jealously guarded by all Western nations, is here clearly shown as inhibiting the production of essential foods which would help poorer nations feed its own. Dealing with the agricultural systems imposed on the Third World, Dumont and Cohen argue clearly and convincingly for a drastic reshaping of food production and distribution policy.

Even where technology is brought in to aid backward areas, where production is low, they demonstrate that these systems, like the Green Revolution or the importation of powdered milk for babies, often turn out to be disasters: they burden the peasant farmer with mechanisms and methods beyond his command and purse, exhaust the land with additional chemical inputs, and accelerate rather than diminish malnutrition with food additives and substitutes devised in the laboratories of the multinationals.

Examining many countries and drawing on the authors' own personal experiences, meticulously documented and researched, "The Growth of Hunger" clearly pinpoints the inequalities in political and economic power as being at the heart of the crisis and proposes practical and radical strategies in the future.

René Dumont, Professor of Agriculture at the Ecole Normale Supérieure is France's leading ecologist.

Nicolas Cohen, an English doctor specializing in environment medicine, has practiced in many rural communities in Africa and is at present working in the field in Bangladesh for the Save the Children Fund.

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Jean-Marie BRETON — **Le Contrôle d'état sur le continent africain (State control in Africa)** — Librairie générale de droit et de jurisprudence, 20 & 24 rue Soufflot, 75005 Paris and Nouvelles Editions Africaines, BP 260 Dakar, Senegal and BP 20615 Abidjan, Ivory Coast — 532 pages — Bfrs 1180 — 1978

All countries need structures to control the way the state apparatus functions.

All kinds of control—administrative, financial, economic, etc.—are required and the need for them is particularly acute in the countries of Africa, which have no long-standing traditions in this respect and which deplore and are seeking remedies for all the abuse that goes on in their administrative services.

This is perhaps the interesting thing about Mr Breton's book. He analyses the methods of control in five African countries (Chad, Ivory Coast, Cameroon, Senegal and Egypt) and outlines the systems in five others (Benin, Central Africa, Congo, Gabon and Zaire) with the idea of formulating a general theory of control in Africa, some thing he manages to do thanks to the similarity of the problems, the regimes and the historical background.

Mr Breton has inside knowledge of these problems. He has worked in Cameroon and Central Africa and, between 1970 and 1974, led a number of missions to the capitals of the countries whose systems he describes in his book.

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Gérard CHALIAND — **l'Enjeu Africain (Africa at stake)** — Editions Seuil, 27, rue Jacob, F-75007 Paris — 162 pages — FF 26.17 — 1980

One look at the world map shows that Africa is still the most fragile of continents, fought over by the super-powers which covet its raw materials and see it as a zone of influence.

It is also the only continent where the majority of the population of one country is still victim of the racialism of a minority.

These are the two themes of this recent work by Gérard Chaliand, a French specialist on the politics and general situation of Africa.

Part one suggests that the fragility and domination of Africa are due to the "extreme weakness of the economics and the standard of living" over the last two decades, in spite of an attempt to develop national resources in certain countries.

The essential causes of this, Chaliand says, "are the negative factors of independent Africa—balkanization, state models left over from the colonial era, economies geared to external requirements and close cultural dependence".

This is particularly so, in that, many of these countries, have had neither the time nor the opportunity to reflect on a political, economic or cultural model that is in line with local conditions. "They have used the institutions and organization of the European state model but its spirit has not been assimilated".

The author feels that there is no doubt as to the ability of Africans to adapt to the world of industry, but that what they lack entirely is economic power.

Hence the fact that the continent depends on official aid from abroad to carry out its major infrastructural works and to exploit most of its mineral wealth. Most of the worlds 25 poorest countries are in Africa.

Southern Africa, with South Africa where racialism is official and institutionalized, is dealt with in part two of Mr Chaliand's book.

He outlines the general situation in southern Africa up to the independence of the ex-Portuguese and British colonies (Zimbabwe) and goes on to look more closely at South

Africa itself, the most explosive, most serious of cases, where domination by a minority of "immigrant Boers" is not based on any special ability but on the racial segregation laws passed in 1948.

They regulate land expropriation (13% of the territory belongs to the 20 million blacks and 87% is in the hands of 4 million Boer and British immigrants), they force the Africans to have passes if they want to travel about the country and they force them to live in special bantustans, those segregated homelands. The Job Reservation Act ensures that all the qualified and best-paid jobs go to the whites.

This neatly-organized apartheid, permeating every area of South African life, has enabled the minority to hold the economic and military power which is the cornerstone of the present racialistic policy.

Chaliand concludes that institutionalized racialism in Africa will prevent the African people from ever achieving peace and human dignity.

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Peter STERN — **Small Scale Irrigation** — Intermediate Technology Publications Ltd., 9, King Street, London WC2E 8HN — 152 pp. — £ 3.95 (£ 5.65 airmail) — 1979

This manual of low-cost water technology is written for the layman, whether farmer or extension worker, and based on the author's 35 years experience of water engineering. "Small scale" here means farm units of a dozen or so hectares, but the upper and lower limits are taken as 100 hectares and less than one hectare. The upper and lower limits of the book's technical content range similarly from a drawing of a watering-can to formulae for calculating the hydraulic characteristics of channels and pipelines.

The more specialized skills, such as measuring climatic data, are covered in appendices, and the result is a thoroughly practical and well-illustrated handbook with the agreeably readable quality that first-hand experience alone can provide.

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Ukandi G. DAMACHI, H. Dieter SEIBEL and Lester TRACHTMAN — **Industrial relations in Africa** — The Macmillan Press Ltd — £ 5.95 — 373 pages — 1979

It is not often recognized in contemporary African politics that long before liberation movements became fashionable, the struggle for national independence in Africa was carried out mainly by the trade unions. How and why are revealed in this book.

One would wonder whether it is not a sign of ingratitude towards African trade unions that they have today been reduced so much to inactivity as to be considered non-existent.

Admittedly they have become part and parcel of the government itself in many countries but this is due rather to coercion than to will. It could be argued that this is the inevitable legacy of the colonial era when trade unionism was seen by most colonial regimes as a good instrument for the implementation of the policy of forced labour and when strikes for better conditions of work were regarded as subversive.

Today, the cooperation of the trade unions in the development process in Africa is needed more than ever before. But can this be obtained through coercion and muzzling?

The authors in the introduction to this book point out that higher wages and better conditions of service are themselves stimulants to economic activities.

But the trouble is that like the colonial era, when the Public Works Department, (PWD) was the biggest employer, for example, in English-speaking countries, the government is the biggest employer today and can hardly afford higher wages.

However as the private sector becomes more and more important, so will trade unionism grow and move gradually to full independence.

Because of the difference of colonial masters, trade unions in French and

English-speaking Africa have certain marked differences in character. These are analysed in detail by twelve experts in this book. Zaire, Mozambique, Angola, South Africa, Zimbabwe and the whole of North Africa are not treated.

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Jean-François NODINOT — **Le Nigeria** — Editions du Sorbrier (Sorbrier's editions), Presse de la SEDAG, 5, rue de Pontoise, 75005 Paris — 170 pages — 1980

Nigerians are usually flabbergasted when they realize that their country is not as well known in the French speaking world as they had thought.

Nigeria is often mistaken for the Republic of Niger or for some sort of province in Ghana or a country in South East Asia.

Nodinot's *Le Nigeria* seeks to fill a gap that is long overdue—the enlightenment of the public in the French-speaking world on a country whose commercial ties with it are daily being strengthened.

Although it is not a detailed work, the book contains a brief history of Nigeria and valuable information on its political institutions and economy for anyone wishing to have a firsthand knowledge of black Africa's most populous nation.

In the introduction, however, the author like every foreign observer of the Nigerian scene, fell into the erroneous conclusion that Nigerian society is a contradictory one.

The fact that it is heterogeneous and that Islam and christianity on the one hand, and African and western cultures on the other, coexist is evidence more of complementarity than of contradiction. And Nigerians pride themselves on it.

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