

# The Courier

AFRICA-CARIBBEAN-PACIFIC - EUROPEAN COMMUNITY

Published every two months

N° 137 JANUARY-FEBRUARY 1993

A photograph of a man in a straw hat and orange shirt working in a field of green plants. He is holding a long metal rod or tool. The background shows a dense field of green plants and a blue sky.

Development  
and Cooperation

Country report:  
Mauritania

**THE EUROPEAN  
COMMUNITY**

**BELGIUM  
DENMARK  
FRANCE  
GERMANY  
(Federal Rep.)  
GREECE  
IRELAND  
ITALY  
LUXEMBOURG  
NETHERLANDS  
PORTUGAL  
SPAIN  
UNITED KINGDOM**

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of the ACP Group  
of States

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**THE 69 ACP STATES**

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BAHAMAS  
BARBADOS  
BELIZE  
BENIN  
BOTSWANA  
BURKINA FASO  
BURUNDI  
CAMEROON  
CAPE VERDE  
CENTRAL AFRICAN  
REPUBLIC  
CHAD  
COMOROS  
CONGO  
CÔTE D'IVOIRE  
DJIBOUTI  
DOMINICA  
DOMINICAN REPUBLIC  
EQUATORIAL GUINEA  
ETHIOPIA  
FIJI  
GABON**

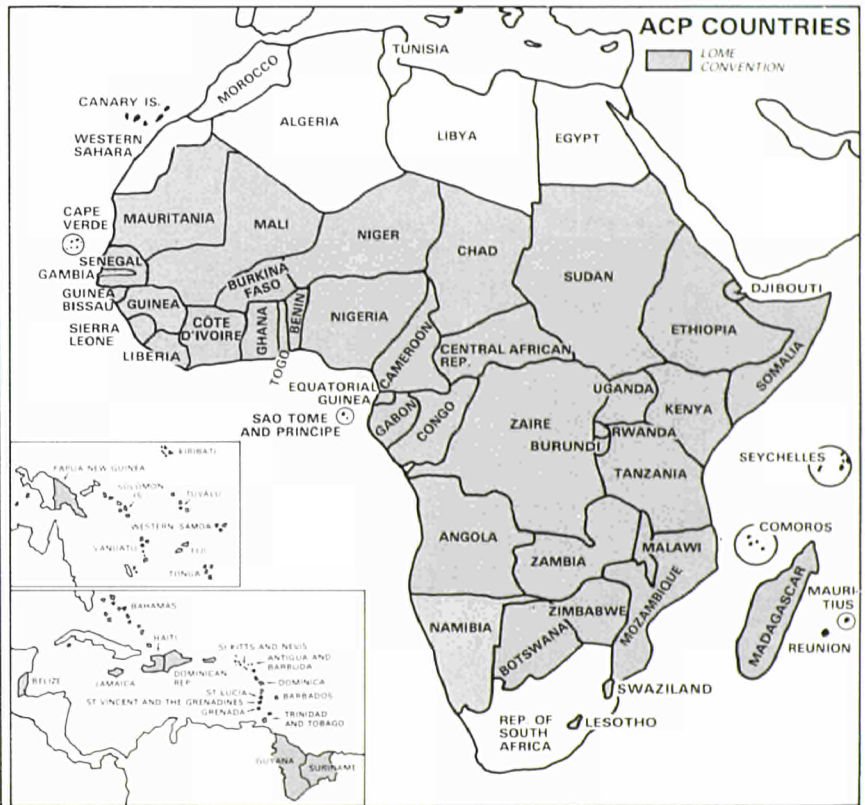
**GAMBIA  
GHANA  
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GUINEA BISSAU  
GUYANA  
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KENYA  
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MAURITIUS  
MOZAMBIQUE  
NAMIBIA  
NIGER  
NIGERIA  
PAPUA NEW GUINEA  
RWANDA  
ST KITTS AND NEVIS**

**ST LUCIA  
ST VINCENT AND  
THE GRENADINES  
SAO TOME & PRINCIPE  
SENEGAL  
SEYCHELLES  
SIERRA LEONE  
SOLOMON ISLANDS  
SOMALIA  
SUDAN  
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SWAZILAND  
TANZANIA  
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TONGA  
TRINIDAD & TOBAGO  
TUVALU  
UGANDA  
WESTERN SAMOA  
VANUATU  
ZAIRE  
ZAMBIA  
ZIMBABWE**

**EUROPE OF THE TWELVE**



**ACP COUNTRIES**



**FRANCE**

*(Territorial collectivities)*

Mayotte  
St Pierre and Miquelon

*(Overseas territories)*

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

**NETHERLANDS**

*(Overseas countries)*

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

**DENMARK**

*(Country having special relations with Denmark)*

Greenland

**UNITED KINGDOM**

*(Overseas countries and territories)*

Anguilla  
British Antarctic Territory  
British Indian Ocean Territory  
British Virgin Islands  
Cayman Islands  
Falkland Islands  
Southern Sandwich Islands and  
dependencies  
Montserrat  
Pitcairn Island  
St Helena and dependencies  
Turks and Caicos Islands

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

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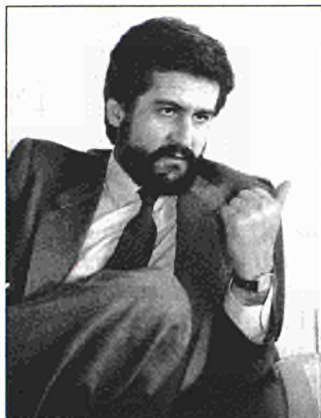
Cover page: *Rehabilitation of the palm oil industry in the Tamatave region, in Madagascar, financed by the EDF (Photo CEC-H. Ferraton)*

## Best Wishes for 1993!

### MEETING POINT: Manuel Marín

Over the past few months, we have seen what must be called a redefinition of the Community's development policy. Vice-President Manuel Marín, just confirmed by Commission President Jacques Delors as Development Commissioner, with his responsibilities extended to cover Latin America and Asia, outlines some of the main features of this new policy.

Pages 2 to 5.



# The Courier

AFRICA-CARIBBEAN-PACIFIC - EUROPEAN COMMUNITY

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### ACP-EEC: New guidelines for EC development aid

Last November in Brussels European Development Ministers adopted a number of documents setting out a new approach to the Community's development cooperation policy in the run-up to the year 2000. They issued an important declaration which we publish in this issue.

Pages 6 to 10.

### COUNTRY REPORT



**MAURITANIA**: For three years now Mauritania has been excluded from the international scene, on both the political and the economic levels. This explains its determination to carry out its democratisation process successfully, find a solution to the crisis with Senegal and conclude the negotiation of its structural adjustment programmes.

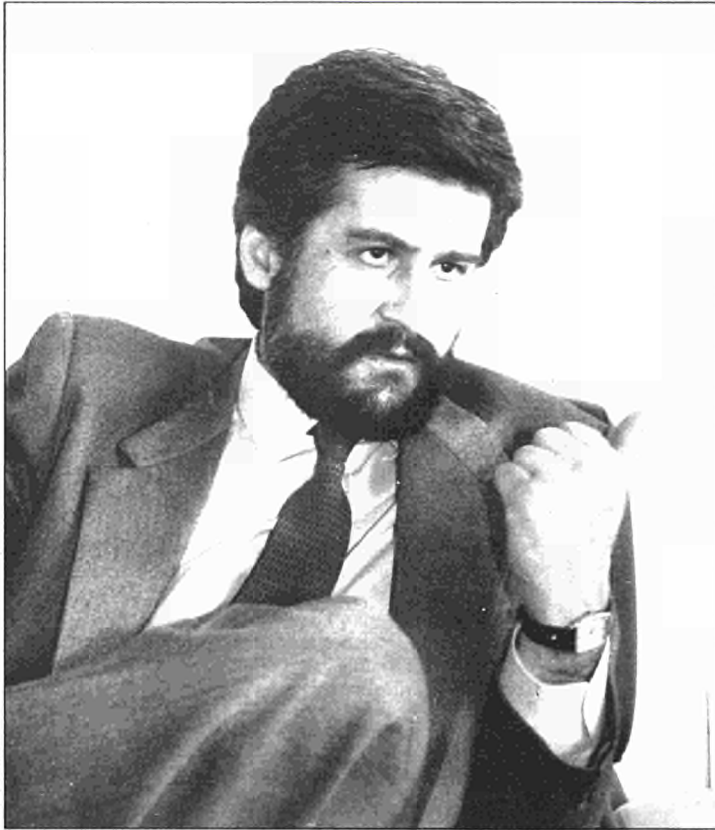
Traditional Mauritanian society is still highly stratified, although this is being disrupted by drought, the emergence of an urban wage sector, the extension of road transport, population movements and education.

Pages 17 to 42.

### DOSSIER: Development and cooperation

Over the years, the lack of economic progress in the Third World has given rise to numerous theories about development. New policies and strategies have been adopted, but so far to no avail. Is it the concept of development itself, or the approach to it, that is wrong? Our Dossier investigates. Pages 58 to 94.





The Courier

## Manuel Marín

### 'Human rights are the backbone of our cooperation policy'

*Over the past few months, we have seen what can only be described as a redefinition of the Community's development policy. In April, first of all, the Commission made its communication to the Council and the European Parliament on cooperation policy for the year 2000, laying down the new framework for relations between the Community and the developing nations, and this was discussed in depth by the Council of Development Ministers, which adopted its fundamental principles. Then, Manuel Marín and ACP Ministers met to exchange views on ACP-EEC cooperation in Brussels in November, just over a year before the opening of negotiations for the second financial protocol of Lomé IV.*

*In this interview, Manuel Marín, just confirmed for a second term as European Development Commissioner by Commission President Jacques Delors, expresses his views about development.*

► *Does your concept of development currently involve a general model which can be adapted to most of the developing countries?*

— Time has shown up many peremptory statements about development to be entirely wrong. But although we now have a much clearer idea about what we should not do, we do not necessarily know exactly what we should do.

Analytically speaking, we now know that the avenues and strategies of development are complex and diverse. Those two things may sound obvious, but you have to remember that, even until recently, they were all too often ignored or neglected by the many people who proposed and sometimes claimed to apply universal development models — which clearly haven't withstood the test of several decades of experience of development... and under-development.

Development is a complex process, of course, because there are so many causes of underdevelopment. They are historical, political and cultural as well as economic and they may well arise from the national as well as the international situation. Let us not reduce development problems to single factors or deduce

ready-made answers, as ideological conviction or a desire to defend more or less legitimate interests have led some people to do.

The diversity of the developing nations' situations and prospects also emerges clearly from a comparison of trends over the past two decades in different regions and even neighbouring countries. The challenge of development is varied and development strategies have to be set up case by case, with realistic targets and the right means for the specific constraints of each country.

So let me make it clear that there is no general model, no set of ready-made, universal recipes, which can be of any help whatsoever in taking up the challenges of development — although I don't mean that cooperation should be run with some sort of arbitrary pragmatism. Playing it by what you see is every bit as dangerous as taking a Utopian model for ready money.

When it comes to politics, the world economy puts the same constraints on all countries. The rules of the game are the same for developed, developing and underdeveloped countries alike, even though development requires specific methods and efforts in each case. The

need to get the developing nations to fit harmoniously, gradually and viably into the world economy has now been widely recognised and it indeed figures as one of the aims of the Community's development cooperation policy in the Treaty on European Union. This general acceptance of external constraint, I think, led to the abandonment of strategies focused on breakaway and isolation and of the pipe dream of imitation as a means of catching up with the developed countries.

Development aims, I think, are more difficult. I wonder whether even long-term development targets differ from one country to another in the light of the diversity of the initial situations, of course, and bearing in mind that we can no longer really maintain that different countries or regions can become the same or can be made to fit into the world economy in the same way in the foreseeable future. On the contrary, I have the impression that the growing integration of the world economy has so far gone hand in hand with the growing differentiation of national economies.

It is a delicate issue, I realise. Development policies are run for all the world as if even the least developed nations could achieve the level of Western Europe or

the United States in the end. But this is a myth and it is becoming obsolete. People are gradually waking up to the fact that development targets vary from one country to another. In particular, they are realising that, for some of these countries, especially those in Sub-Saharan Africa, development of the sort they have in the rich-country league is not a realistic target. So viable aims, which are compatible with both the potential of the individual country and the constraints of the international situation, have to be established in each case.

► *In the absence of a universal model, aren't there perhaps at least one or two general principles which are common to all development processes?*

— As I told you, the fact that there is no single development model does not mean that there are only individual situations and no common criteria. It is my firm belief that there are one or two vital basic principles which should guide the European Community's development cooperation.

The first of them, resulting from the fact that there is no universal model, is that development is always an essentially participatory process. Let us be quite clear about what this means. Clearly, it is up to the Governments to decide what economic, political and social guidelines they feel to be appropriate. But I maintain that they will only make a success of them if they have the support of the people — those who have to apply the policies that go with the guidelines. So involvement is a basic demand and it means improving and sometimes even setting up both democratic political systems which respect human rights and stable governmental and administrative institutions whereby the selected policies can be implemented efficiently. I have also noticed that, increasingly, the developing countries themselves are coming up with this demand themselves and not having it forced upon them from outside. At the same time, it has to be realised that the process of democratisation may take many different forms, that there are no universal models here either and that it will always take a great deal of time to set up and consolidate democracy.

A second general principle is that development is always a long-term pro-

cess and that each stage has its demands when it comes to durability and economic, demographic, social, political and environmental viability. This is what we now call sustainable development. There are many implications at every level, including for the means deployed and for the rate at which they are deployed in each case. This, I think, is an area in which the development aid organisations all too often go for the short term, look for immediate results which can be measured easily and lack the requisite patience and constancy. It takes time for successful structural economic reform in particular to have its effect and the periods of transition may be difficult, especially for the poorer sections of the population, which is why I have always insisted that the European Community go for a gradual approach to economic reform which ensures the continuity of development policies. For example, it is essential for every country to have its markets opened up and liberalised, but we must beware of any neo-liberal or any other sort of dogma about the rate of reforms, the specific ways of going about them, areas of State intervention and so on.

A third principle and an important one, I think, as far as development cooperation is concerned, is that we must have human development of the greatest number. Whatever the importance of the economic aspects of development, they are, ultimately, only the means to achieving the more fundamental end of the wellbeing and freedom of mankind. This very general principle must not be reduced to a simple statement, a Utopia of sorts, or a justification which can be used for action of any kind. On the contrary, I see it as a criterion for choosing between alternative strategies and means of action. This means setting up specific policies, in health and education, say, and taking account of social considerations in all development schemes, including, of course, those with a macro-economic focus. Even if the aim in these fields is a long-term one, they should — and I insist upon this — be given priority at each stage in the development process, including at the level at which short-term adaptation policies are chosen.

► *If development dynamics are primarily internal and the development process is specific to the individual country, what is the role of external cooperation?*

— First of all I should like to say that cooperation is based on the fact that we are all in the same boat, even if the problems and interests of the moment often differ and may even diverge. Beyond this diversity, what constantly forges unity is both the pressure of the demand for justice and solidarity reflecting our fundamental values and the perception of our own long-term interests, which, thanks to the more or less new — or newly recognised, at least — interdependence, are linked to those of the developing countries in many areas. Let us not forget that we are the main ones to benefit from a world system for which we are jointly responsible.

I note that there is some sort of consensus in our societies on these two basic justifications for development cooperation and that it is gaining ground with the growing awareness of non-traditional (or non-economic) interdependence in such things as environmental matters.

Cooperation, unfortunately, is like a continuous line with peaks and troughs and I don't get the impression that the consensus currently reflects the prospect that more financial resources are likely to be available. The fact that resources are limited is partly due to the so-called rich countries' economic and financial difficulties, but also to the simultaneous emergence of demands and the apparent attenuation of the geopolitical interdependence which, alas, is the motivation for some cooperation. And lastly, it points to scepticism about the effectiveness of cooperation in the form of development aid.

This is why I am forever trying to explain the need to maintain and even step up all forms of cooperation with the developing countries — and that means aid as well as trade, financial and technological relations — and to remind people that these various aspects cannot be isolated one from another, as is clear from, say, what is at stake in the international trade negotiations or the external debt issues.

There is more to it than explaining, however. We also have to be more sure than we have hitherto been that cooperation is effective — something which applies particularly to development aid, where the records are sometimes disappointing, especially in Sub-Saharan Africa. The general principles which I have already outlined suggest that we

should be aware that development is an essentially internal process, even if it means accepting external constraints. So cooperation has to be adapted to the constraints of each country and based on the dialogue between the two parties and on respect for commitments, political ones included. But above all, we should have the constancy to provide continuous, long-term backing for development processes, with the priority on cooperation in areas contributing to lasting aims which the developing countries find difficult to finance themselves.

This means even more stringent analysis, monitoring and evaluation than before and — and this is most important — it means having clear consistent criteria on the policy front, so as to make optimum use of what we already know to be highly inadequate resources. For the good of cooperation, I believe, we have to be stricter with ourselves and our partners about quality and performance and we have to put a stop to some practices in which political considerations weigh too heavy or professional ones too light.

► *Given Europe's interest in development, how could European Union — particularly in the light of the new institutional bases laid down by the Maastricht Treaty — affect the developing countries?*

— That is a very complex question and, if I am to answer it clearly, I shall have to separate political, economic and operational consequences.

First of all, I should like very firmly and clearly to lay down a strictly political principle, and it is this. I cannot conceive of the progress of European Union breaking off or distancing Europe from the developing nations.

This is not just self-evident. It is impossible to turn your back on the vast mass of developing countries which currently make up more than 80% of the population of the world. The real question lies somewhere else. The intrinsic strength of the historical ties, and especially the humanistic values, underlying the European construction lead the Union to see our cooperation with the developing world as essential.

This may sound like rhetoric to some, of that I am well aware, but all I need to do to reveal the solid reality behind these fine words is simply point to the fact that, although the Treaty of Rome made no

provision for a Community aid policy, the Community has endowed itself with more and more financial and technical means for such a policy quite naturally, to the point where it is one of the leading lights of development cooperation in the world today. European Union can only take us further along this path.

Let us now take a look at the economic consequences of Union for the developing nations — a subject on which I shall be extremely brief.

If I put my economists' highly sophisticated arguments simply, I can express the whole problem in terms of a syllogism and here it is. The induced effects of European Union will lead to greater internal growth. Greater internal growth will lead to greater demand for imported products. Therefore the exporting developing countries will derive considerable benefit from European Union.



The Courner

*'I cannot conceive of the progress of European Union breaking off or distancing Europe from the developing nations'*

This will probably prove to be true in the long term, but — and these are fundamental questions for our partners — when will it happen, how and, most importantly, for whom?

When is difficult to say. Forecasts are by definition uncertain, but there is no doubt that growth will have to take off again before the economic multipliers created by the Union can act — and the present economic situation suggests that

prudence is called for with projections of this kind.

What will future demand look like? That is even more difficult to predict because, internationally speaking, the productive factors are highly mobile and the developing countries themselves are starting with very different conditions. So it seems to me very difficult to say just which country will benefit from greater demand.

These two uncertainties force me to say that, although the Union is bound to be of benefit to the developing countries, the process will probably be very unevenly spread in time and over the different beneficiaries.

This brings me to the third part of my answer, the institutional and operational side of the Union's cooperation. The job of the Union is not just to be a basic mechanical factor of the developing nations' growth (i.e. just a market), but, through its institutions, an active operator, above all, which applies a deliberate, active policy to help the weaker countries get into a situation on the market which ensures them the resources they need for their economic and human development.

How can the Union do this? The Treaty of Maastricht gives us scope for development cooperation which the Treaty of Rome did not. One conclusion we have come to in working towards implementation of the new Treaty, and one described in detail in our document on cooperation policy for the year 2000, is that one of the main reasons why international development aid has not been as effective as it might be is the scattered and uncoordinated nature of the funders' efforts. In the Community, this has resulted in three major handicaps to a proper, coordinated cooperation policy. There is a shortage of coordination between national and Community development policies. There is a shortage of coherence between the cooperation policy and other Community policies and other aspects of the Community integration process. And there is a shortage of expression and European stimulus in international circles and among other funders.

This is prejudicial to the developing countries, since they do not get the benefit of the mass effect which would result from a consistent Community-Member State policy. Do I need to remind you that

42% of assistance to the developing countries in the world today comes from the 12 Member States?

Thanks to Title XVII of Maastricht, which enshrined the addition of development cooperation to the range of Community policies, the Community now has coherent lines of action along which the cooperation activities of both Member States and Community can develop in an independent but concerted manner.

At the Council of Development Ministers in November, the Twelve gave their seal of approval to this principle with a joint declaration to the effect that they were anxious to identify common political guidelines in the various fields of cooperation and called on the Commission to propose the appropriate coordination machinery. It is now up to us in the Commission and the Member States to make the most of this and implement more coherent strategies and better co-ordinated schemes to encourage development in the countries of the South.

► *What are the main guidelines and the most outstanding features of the Community's development cooperation policy, given the new international context and future prospects?*

— The end of bipolarity in international relations has changed the position on the international geopolitical chessboard, bringing in a new situation which has a direct and very important effect on the EC's relations with the developing world and on the Community's cooperation policy especially.

It would be short-sighted to deny that the reformulation of the Community's geopolitical interests and priorities poses an inevitable threat to the positions which the countries of the South have currently achieved — and that by no means contradicts what I said in my previous answer. Cooperation with the developing countries is and will remain one of the bulwarks of the Community's policy, but you have to realise that its demands will be considered in the light of other equally imperative and legitimate demands. Policy, and not just Community policy either, is a matter of continuous arbitration and even the benefits of position are reviewed systematically.

I am very realistic. Principles count in the long term, but budget decisions are made under pressure of the short term. We are moving towards a zone of

financial turbulence and some ships must be expected to lower their sails... pending more favourable winds.

I should be sorry to see it happen, but I should not see it as a disaster, far from it. It has long been entirely convinced that the real aim of the cooperation credit managers should not be to think about having more money next year, but about spending all they have this year.

So great efficiency is the keynote for the future. But how do we achieve it?

First of all, I think, the Community will have to come up with clear policies for the different areas of cooperation which really do optimise the money which the taxpayers put into cooperation.

I say Community because I think that the Member States and the Commission are faced with identical problems and it would be a good idea to embark upon this drive for better knowledge and better ways of doing things together. The way to this is indeed already open, in fact, and many meetings of experts from Commission and Member States have been planned for 1993.

They include, let us not forget, the meeting on the anti-poverty campaign, which will lead to a report and, I hope, a plan of action for the Community and the Member States to run jointly in the coming years.

We have an enormous problem here, which, to my mind, it is not being tackled properly. What we so delicately call schemes to look after 'the social dimension of structural adjustment' look to me more like assistance than measures designed to change societies which are not just poor, but also distribute their wealth unfairly. Although combating poverty is still one of the aims of the development strategy, the theoretical instruments with which we tackle it are fairly limited. Is there any other way of going about it? That is what I expect the Community experts to tell us.

Now I have moved on to more thematic considerations, I should like to stress the importance which we give and shall be giving more and more to the dialogue with our partners on sectoral and global economic policies. I have always emphasised the importance of supporting structural adjustment, to my mind, one of the most outstanding aspects of Lomé IV, and I have never confined myself just to talking about it either, because I have reorganised my offices to create an

operational structure which can apply these principles and which is putting up a better and better performance. And guidelines have been given for the priorities for the utilisation of aid instruments in our dialogue with the recipient countries. The social dimension of structural adjustment, particularly in health and education, is now a priority.

I could spread myself on other topics which I feel are important, regional cooperation, for example, although it would be impossible to hide my disappointment at the disparity between the many meetings and the feeble results. There is a time to think and a time to act, I believe, and we are still at the thinking stage. But I should rather not go on about this. There are plenty of priorities, but I should not want the basic message I have just given you to be drowned in too much detail.

I do not want to end without insisting once more on the importance of the promotion of human rights and democracy as the backbone of the EC's development cooperation policy. The principles are set out in the Maastricht Treaty, in Article 130u, and were the subject of what I believe to be a fundamental resolution in the Council of Development Ministers in November 1991.

I am well aware how difficult it is and will be to apply these principles. You don't measure democracy like you measure rainfall before deciding whether to finance an agricultural project. But anyone who hopes that this difficulty in the theory will get the Community to drop its support for any move towards fairer and more representative systems is wrong.

Democracy may well be difficult in terms of theory, but it is easy to recognise. If you describe a giraffe to children who have never seen one and then ask them to draw it, they will very likely produce anything except a giraffe. But they will know one as soon as they see one. The same goes for democracy. Structures vary, of course. Such things as form and methods of popular representation differ, but if they are there, we can identify the system as democratic. We are not aiming for a perfect system either. All we are trying to do is help the increasing number of those who are calling for the State of law which we in Europe take for granted to be set up in their countries too. ◯

## EC Development Ministers lay down lines for future policy

At its regular six-monthly meeting, held this time in Brussels on 18 November 1992, the European Community's Development Council, consisting of all the 12 Member States' Development Ministers, adopted a number of documents setting out the EC's official views on development cooperation in the last years of the century.

The main paper was a draft resolution on **aspects of development cooperation policy in the run-up to 2000** submitted by the British Presidency of the Council. After lengthy discussion, the Ministers reached agreement on the need for geographical balance in development cooperation, budgetary constraints and the amount of assistance to be given, and adopted the document as a declaration of the Council. While the declaration reaffirms the commitment of the EC and its Member States to a major role in development cooperation, the Presidency emphasised that it was only the first step in a long process. Manuel Marin, attending as the member of the EC Commission responsible for cooperation and development, stressed that it opened up paths for effective Community coordination in the area of development assistance.

The declaration notes the improvement in social indicators in most developing countries over the last 30 years and welcomes the increasing respect for human rights and democratic principles. The Council, however, recognises the economic, demographic and environmental problems many developing countries still face. While development aid will continue to be vital, the declaration says, it must be shown to be effective. Member States reaffirm their commitment to the agreed UN target of 0.7% of GNP for official development assistance. Their objectives will be sustainable economic and social development, the integration of developing countries into the world economy, and the campaign against poverty. The full text of the declaration appears at the end of this article.

The Council also adopted a resolution on **family planning in population policies in the developing countries**. Family planning, it said, was just one of the instruments in a policy aimed at ensuring the

balanced demography compatible with sustainable development. It was estimated that 300 million women and men worldwide would like, but did not have access to, the means freely to plan the number and spacing of their children. Assistance, however, should not be given to programmes which were in any way coercive, discriminatory or prejudicial to fundamental human rights. The design and implementation of population strategies in developing countries should also take account of ethical and cultural considerations, and activity in other related sectors, such as education and health, promotion of literacy and improvements in the status of women, could all assist in the creation of a climate favourable to wider reproductive choice. Mr Marin said a meeting of experts would consider operational follow-up in early 1993.



SAVE THE CHILDREN FUND

### Somali refugees

*The Council agreed that unused Lomé development funds allocated to Somalia should be used for rehabilitation*

In a set of conclusions on the **follow-up to the UN Conference on the Environment and Development**, the Council set out the main points of the action the Twelve were prepared to take to develop clean and efficient energy for development. The Ministers also confirmed the commitment made at the Rio Conference to give financial assistance of ECU 3 billion to developing countries to foster sustainable development, with an initial sum of ECU 600 million being released in the first year, though they failed to agree how the burden of the sum should be shared.

A resolution on implementation of the 1991 resolution on **human rights, democracy and development** said that Member States and the Commission would hold an annual exchange of views on the action they had taken under the 1991 resolution to encourage developing countries to respect the principles concerned. The Council said it would give priority to supporting the setting up of new democratic institutions, strengthening the rule of law and encouraging wider public participation. The Community and its Member States also supported the promotion of good governance and the reduction of excessive military expenditure, as well as action in areas such as the promotion of a free press and other media, participation by minorities in the benefits of development assistance, underpinning the peaceful settlement of internal and regional conflicts and support for political exiles wishing to return to their country of origin. They attached great importance to maintaining dialogue with developing countries in issues relating to respect for international law and international conventions. Member States and the Commission would submit suggestions on areas where programmes of development assistance could influence progress in a positive way.

The situation in three countries was discussed in relation to **emergency aid**. On Somalia, Ministers accepted the Commission's proposal that unused Lomé II and III National Indicative Programme funds intended for development projects should be used for rehabilitation, under the Commission's responsibility as there were no authorities in Somalia to carry



the work out. The Twelve welcomed an Italian proposal to convene a conference in December to study Mozambique's medium-term needs, and appealed to all parties in the conflict in Angola to respect the cease-fire agreement of 1 November.

**On cooperation with nongovernmental organisations,** the Council reaffirmed its commitment to full and increasing support for involvement of NGOs in the development process, particularly in those areas where NGOs had special expertise and experience, such as emergency aid, food aid, women in development, development education schemes, protection of the environment and development work with and for the very poor. It also welcomed Community support for the efforts of NGOs to promote and strengthen the democratic fabric and respect for human rights in developing countries.

The politically sensitive issue of **untying aid**, to which certain of the Member States were opposed, was debated but the Council failed to reach any decision on a new approach. The Danish representative, however, promised that it would be on the agenda again under his country's Presidency in the first half of 1993.

The last subject discussed was **cocoa**. Vice-President Marin of the Commission urged the Member States to reach a common position in preparation for the talks on an International Cocoa Agreement being held in February. The Council referred the question to the Permanent Representatives Committee.

### Council conclusions discussed in Parliament's Development Committee

Following on from the Development Council meeting, the President, Baroness Chalker, who is the British Minister for Overseas Development, addressed the Development Committee of the European Parliament on 1 December. She focused on the general discussions which had taken place in Council over the future of development policy in the run up to the year 2000.

Early in her presentation, Lady Chalker posed the fundamental question about whether a 'common Community policy' of development cooperation was being established. 'If, by this', she continued, 'we mean a *single* policy, the answer is *no*. But if it means a coordinated



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*The low status of women in some developing countries 'continues to undermine the process of development'*

set of policies, where we work more closely together, the answer is *yes*.'

The Minister went on to welcome the improvements which had taken place in 'democratic, open and accountable government' in developing countries but she pointed out that serious problems remained.

As regards specific development issues, she made a particular reference to the low status of women in some developing countries, arguing that this situation 'continues to undermine the development process'. On food aid, she was concerned to ensure better integration with other development policies. The Minister also spoke about the joint resolution of the Council and the Member States on family planning, the fact that 'carrots provide better incentives than sticks' in the field of democracy and human rights, and about the follow-up to the UN Conference on the Environment and Development (UNCED).

On the role of the European Community's new humanitarian office (ECHO), Lady Chalker said that while

the Council welcomed its establishment in principle, there was some concern that it might take on an operational role and that there would be too much emphasis on 'Community flag-waving'.

The Minister also expressed disappointment over the failure to make progress in Council over the untying of aid. She explained that there were still a number of Member States who felt their companies might lose out if such a step were taken, and stressed the importance of achieving better value for money.

There then followed a question and answer session in which Lady Chalker was quizzed by members of the Committee on various aspects of Community development policy. Subjects raised included AIDS (December 1 was World Aids Day), Caribbean bananas, the lack of progress towards democracy in South Africa, the possibility of cut-backs in development funding, the private mobilisation of development aid and the situation in Somalia, Mozambique, Angola, Iraqi Kurdistan and Afghanistan. ○

R.R. & S.H.

## **Declaration of the Council and of representatives of Governments of Member States meeting in the Council on aspects of development cooperation policy in the run-up to 2000**

1. The Council recalls the Lisbon European Council Declaration of 27 June 1992 which stated that far-reaching changes in the international scene have contributed to the creation of a new climate and favourable opportunities for revitalising the relationship between the Community and its Member States and developing countries. In reflecting upon the experience of more than thirty years of co-operation with developing countries, and noting also the recent UNCED conference at Rio which led to the definition of a programme for sustainable development through Agenda 21, the Community and its Member States re-affirm their commitment to a major role in development co-operation throughout the developing world, in accordance with the objectives set out in paragraph 18, taking into account the opportunities presented by the new international climate. The Council emphasizes that this Resolution is intended as a first step in a longer process, designed to improve further the effectiveness of, and to ensure an appropriate balance in, Community aid programmes.

2. The Council welcomes the Commission Communication of 15 May 1992 as an important contribution to the discussion of the future for development co-operation policy.

3. The Council notes that positive changes have taken place in most developing countries over the last 30 years. It welcomes the overall improvement in social indicators, such as life expectancy, infant mortality rates, literacy and access to drinking water, even if much further progress is required. It welcomes, too, the rapid growth which has taken place in some parts of the developing world, and in particular the recognition in many developing countries of the importance of sound domestic economic management which has resulted in a number adopting programmes of radical economic reform. The Council is aware of the needs of developing countries in the present phase of transition resulting from the adjustment process.

4. The Community and its Member States, recalling their Resolution on Human Rights, Democracy and Development of November 1991, welcome the increasing recognition of the need for democratic, open and accountable government, and the progress made in a number of cases towards better observance of fundamental human rights and reforms of public administration. Respect for human rights and democratic principles, reduction of excessive military expenditure and overall good governance will be increasingly important factors in influencing Community and Member States' programmes with all partners.

5. The Council stresses that social, economic and political changes of this type are essential to the establishment of an environment conducive to sustainable development, and is ready to support developing countries in their own efforts to make progress in these areas.

6. The Council recognises that many developing countries continue to face serious problems. A large proportion of their people continue to face acute poverty, hunger, disease and illiteracy. These problems stem from inadequate or declining economic growth and unfavourable income distribution and are exacerbated by rapid increase in population. In addition the relatively low economic and social status of women in some

developing countries continues to undermine the development process. Moreover, many people in developing countries face a variety of environmental problems. The Council further recognizes the fact that many countries are still facing serious debt problems. These issues need to be tackled so that development can be sustainable.

7. In relation to this, the Council welcomes the growing realization that many problems affect both developing and developed countries. In particular the increased level of economic interdependence continues to underline the need for enhanced international and regional co-operation to promote stability and peace, growth and sustained development. Other problems include the degradation of the environment; population growth and movement; the production, trafficking and consumption of illegal drugs; and the spread of AIDS. The Council believes that the new international political context offers to developing and developed countries a new opportunity to co-operate and collaborate in tackling these problems. Moreover the Council emphasizes the need to contribute to the implementation of the measures agreed at UNCED, in particular Agenda 21.

8. Migration is an issue which affects both developed and developing countries. The Council recognizes that migration pressures, both internal and external, exist in many different countries and regions. The Council is conscious of the role which effective use of aid can make in reducing longer term migratory pressures through the encouragement of sustainable social and economic development. The Council equally stresses the importance of ensuring their smooth integration into the world economy, thereby increasing economic prosperity and reducing economic motives for migration. The Council notes the additional migratory pressures created by those fleeing oppressive or discriminatory government in their own countries.

9. The Council recognizes that, in the pursuit of sustainable development, developing countries' own economic policies and their use of human and other local resources are of vital importance. Promotion of internal and regional economic activity and an active employment policy would make a valuable contribution to this end, as well as the establishment of a legal, economic and political environment which will allow growth of the private sector, which has a central role in their economic development. The Council also recognizes that the international Community has a responsibility to support the developing countries in their efforts to solve their problems and to ensure a favourable international environment.

10. The Council recognizes in particular its responsibility in promoting the progressive integration of developing countries into the world economy. Foreign trade is the main source of external finance for most developing countries. With that in mind a successful outcome of the GATT process would enhance their development prospects, to the extent that they are able to benefit from new market opportunities. Private investment can play a growing role in financing development provided that developing countries put in place appropriate policies. Moreover, the European Investment Bank and bilateral Development Finance Institutions in Member States can continue to supplement and encourage private flows.

11. Effective and independent non-governmental and other civil organizations in developing countries are a fundamental part of economic, social and political development in its widest sense.

Non-governmental organizations in Member States and in developing countries continue to make an invaluable contribution to development co-operation and should continue to be strongly supported.

12. The Council affirms that, combined with the recipient countries' own efforts, official development assistance will continue to be crucial in the development process, especially of the poorest countries. At a time of budgetary constraints it is all the more important that aid should be used most effectively. To be effective such assistance must be well used and targeted where it can make a real impact, and all possible steps to increase aid effectiveness must be taken. The Council is aware that the contribution of donors will be increasingly subject to criteria for assessing the efficient use of the aid granted, and that donors will link decisions on overall volume and on allocation to effective use.

13. The Community and its Member States also recognize the importance of the overall volume of development assistance. In this context Member States reaffirm their commitments to reach the accepted United Nations target of 0.7% of GNP for official development assistance and, to the extent that they have not yet achieved the accepted target, agree to augment their aid programmes in order to reach that target as soon as possible. They also recall their commitments to reach the target of 0.15% relating to least developed countries.

14. The campaign against poverty will continue to be the focus of development co-operation activity. Success in this campaign requires, on the part of developing countries, appropriate policies aimed at reforming the present structure of the economy and achieving a more equitable distribution of national wealth, and the attainment of broad-based sustainable development. Such a goal cannot be attained without considerable investment in that country's human resources, in terms of health and education policies, policies to improve the status of women and the establishment of democratic and representative institutions which function well.

15. The Council reaffirms its commitment to a swift, efficient and generous response to disasters and emergencies in whatever developing countries they occur. It emphasizes the importance of effective co-ordination of donors' responses, not only within the Community but also outside it. The Council is particularly aware of the invaluable role played by non-governmental organizations in this area, and also welcomes the recent creation of a humanitarian office by the Commission. The Community and its Member States must ensure where appropriate that relief activities lead into rehabilitation and reconstruction programmes. More attention is to be paid to avoiding foreseeable calamities and their consequences.

16. In the field of development co-operation the Community and its Member States play a particularly important role, in part because of their historical links with developing countries, but also as developing countries' largest export market, as an important source of private investment and transfer of know-how, and as their largest source of ODA. The Council welcomes the evolution of Community development policy which is a response to the changing needs of developing

countries. Community development policy is and must continue to be an integral part of Community external relations policy, thereby ensuring that the latter takes due account of development objectives. The Council notes in particular that the Community approach covers aid and trade relations and that there is now a wide ranging body of policy covering disparate areas such as structural adjustment, environmental concerns and the role of women in development. It is nevertheless conscious that there are areas where new or renewed efforts are required. At the same time, the implementation of the Single Market is changing the structure of economic relations between the developing countries and their largest trading partner, the Community.

17. The Community and its Member States reaffirm their commitment to work towards a coherent and comprehensive approach in future, which builds on the strengths of the past 30 years of co-operation, learns from the experiences of Community policy, and addresses the challenges that developing countries face. With this in mind, they have established the following objectives for future action.

#### **Objectives**

18. The Community and its Member States affirm that their programmes of development co-operation will be guided by the following objectives:

- the sustainable economic and social development of the developing countries, and more particularly the most disadvantaged among them;
- the smooth and gradual integration of the developing countries into the world economy;
- the campaign against poverty in the developing countries.

These programmes will contribute to the general objective of developing and consolidating democracy and the rule of law, and to that of respecting human rights and fundamental freedoms.

19. The Council recalls that the achievement of these objectives, remains, as far as bilateral programmes are concerned, the responsibility of each Member State. The Council believes that the complementarity of Community aid to the policies pursued by the Member States should be ensured by the co-ordination mechanisms set out below.

20. The Community and its Member States further consider that the achievement of these objectives in particular developing countries demands a differentiated approach which has regard both to the effectiveness of their own development efforts and to the economic, social, cultural and political development of the country or region to which it belongs. The Community and its Member States will seek to respond in particular to the needs of the poorest sections of the population and of the poorest countries.

#### **Policy co-ordination**

21. The Community and its Member States believe that effectiveness in achieving these objectives can be enhanced by greater co-ordination within the Community at policy level, or by joint action. They have already endorsed such an approach to the issue of human rights, democracy and development, and are ready to consider other priority areas where such co-ordination may have a positive impact on the effectiveness of Community and Member States' development assistance, in particular where this contributes to the reduction of poverty.

22. To this end the Council invites the Commission to conduct a review of the Council's past resolutions and

conclusions. It should consider what opportunities there are for enhanced policy co-ordination bearing in mind the issues covered by existing resolutions and taking note of the Commission's communication on development co-operation policy in the run-up to 2000. In its review the Commission should take full account of existing arrangements for policy co-ordination between all OECD aid donors and should seek to avoid duplication. The results of this review, identifying priority areas for policy co-ordination in the future, should be transmitted to the Development Council in time for its next meeting. The Council invites the Commission in particular to review policy to combat poverty with a view to presenting the results of its analysis for discussion at the next Development Council.

#### **Operational co-ordination**

23. As already stated in the Development Council Resolution of November 1986, effectiveness in achieving objectives can be enhanced by strengthening operational co-ordination between all donors. First and foremost, this co-ordination must be implemented between the Commission and the Member States, in order to obtain a genuine convergence of the efforts of each in terms of dialogue, objectives and instruments.

The Community and its Member States consider that, without prejudice to their competence to act individually, they should co-ordinate in the following areas:

#### **(a) Sectoral co-ordination**

Co-ordinated action on policy development and implementation already takes place between Member States' and the Commission's experts in a number of diverse sectors. The Community and its Member States believe that this should take place on a more systematic basis.

#### **(b) Country level co-ordination**

Co-ordinated action on policy development and implementation also exist 'in-country' and in the context of ad hoc meetings devoted to specific countries. The Community and its Member States welcome efforts which are being made to intensify this.

The Council invites the Commission to review these types of co-ordination, taking full account of existing arrangements which facilitate co-ordination between all OECD donors. On this basis it invites the Commission to make recommendations, in time for the next meeting of the Development Council, on improvements to procedures and on other sectors which could be covered.

#### **Co-ordination outside the Community**

24. The Community and its Member States believe it is important to continue to co-operate with other bilateral and multilateral donors. To facilitate such co-operation in international development meetings, the Community and its Member States are ready, within their respective spheres of competence, to co-ordinate their positions. The Council recommends that the Presidency and/or the Commission should plan such co-ordination systematically, and welcomes the steps taken recently to assist this process.

#### **Co-ordination of Community development instruments and policies**

25. The Council emphasizes the importance of ensuring that all instruments of Community development policy, together

with other Community instruments which have as one of their objectives the support of developing countries, are co-ordinated to ensure a consistent approach which will enhance the effectiveness of aid. It recalls in this context earlier policy orientations such as the 1990 Development Council Conclusions on Food Aid Policy, and calls on the Commission to review progress on the integration of the various instruments of development co-operation policy, and to take steps where necessary to facilitate this process.

26. In this context the Council underlines that aid programmes managed by different parts of the Commission should have a coherent and consistent approach and invites the Commission to take the necessary steps to ensure this.

#### **Linkage with other Community policies**

27. The Council recognises the linkage between development co-operation policy and other Community policies. It also recognizes the need to take account of their impact on developing countries, which can be significant. The Council urges the Commission to consider how this impact assessment might be carried out more systematically especially with regard to new proposals. It invites the Commission to report in time for the meeting of the Development Council in November 1993 on how it takes account of the objectives referred to in paragraph 18 in the policies that it implements which are likely to affect developing countries.

#### **Conclusion**

28. The Community and its Member States reaffirm their firm intention to seize the opportunities presented by the new international climate to intensify their co-operation with developing countries in pursuit of the important objectives set out above. They intend to work towards a better achievement of the objectives set down in paragraph 18 by the intensification of policy co-ordination, operational co-ordination, co-ordination outside the Community, co-ordination of Community development policies and linkage between different Community policies.

29. The Community and its Member States will review the progress made in implementing this Resolution at the meeting of the Development Council in November 1993. Their work programme should include:

*May 1993*

#### **Policy Co-ordination**

- i) Commission review of past Resolutions and Conclusions.
- ii) Commission proposals on poverty.

#### **Operational Co-ordination**

Commission review of more systematic approach to operational co-ordination.

#### **Co-ordination of Community Development Instruments and Policies**

Review of the integration of Community aid instruments.

*November 1993*

#### **Linkage with other Community policies**

Commission report mentioned in paragraph 27.

## Social Partners' meeting in Brussels

# 'You can't eat democracy... but you can't eat dictatorship either, and it can consume you.'

When *Alec Chirwa*, who is Secretary General of the Zambia Congress of Trade Unions, pointed out at the annual meeting of the ACP/EEC Social Partners that you cannot eat democracy, he put his finger on a recurring theme of the democracy/development debate. In the post cold-war world, the view that democracy is a 'good thing' finds few dissenters, but when so many developing countries are facing severe economic hardships, there are at least some who wonder whether the emphasis may be misplaced.

However, the riposte to Mr Chirwa's statement, delivered by the Ethiopian expert *Tesfatsion Medhanie*, also brought nods of agreement from many of the representatives at the meeting. In pointing out that dictatorship was no less inedible, but had a voracious appetite of its own, he underlined the validity of the democratic concept independent of any economic arguments.

This is not just an academic debate. The old fault lines between those who adhere to a free market philosophy and those who prefer state direction may have disappeared, but new and more complex issues are now being discussed about the relationship between democracy and development. There are those who say that the former is a *sine qua non* of the latter. In other words, that development cannot take place in the absence of democracy. There are those who believe the opposite; that economic progress is needed before democracy can become entrenched. And there are those who see the merit of both of these arguments, notwithstanding their apparent inconsistency, and seek to 'square the circle' by suggesting that the two should go hand in hand.

Beyond the unanimity displayed by the social partners in Brussels in favour of the principle of democracy, it was possible to detect shades of each of these views in the contributions of the speakers. In other words, while there is now a welcome consensus as to the ends, differences remain over the best means of achieving them.



The Courier

*Andrea Amato of Italy looks on as his fellow rapporteur Lucien Glele of Benin presents his report*

### Democracy theme

The annual social partners' meeting, held this year in Brussels on 27 and 28 November, provides an opportunity for representatives of trade unions, employers, farmers, organisations and other interested bodies from ACP and EC countries to come together and exchange views on issues of current concern. The theme for the 1992 meeting was 'The democratisation process, its socio-economic base and the role of the ACP/EEC economic and social interest groups'. This subject was chosen to coincide with the deliberations of the ACP-EEC Joint Assembly on democracy and development (reported in the last issue of *The Courier*). Two discussion papers, drawn up by an African employer and a European trade unionist, as well as two expert reports, provided the basis for the discussion.

In the inaugural session, there were presentations by the two co-Presidents of the Joint Assembly, *Ernest Simmonds* and *Maria Cassanmagnago Cerretti*, as well as by representatives of the ACP Council, the EC Council and the European Commission. Dr Simmonds began the proceedings by referring to the 'wave of democratisation which is sweeping Africa' and stressed the 'pivotal role of economic interest groups in strengthening the process'. Raising an issue which

was to be echoed by many subsequent speakers, he spoke critically of the absence of democratic considerations in the GATT process, noting that this was 'dominated by the big economic powers' with little reference to the needs of the developing countries. He urged representatives to use the opportunity of the meeting to consider how international decision-making processes could be made more democratic.

Mrs Cassanmagnago Cerretti spoke about how the absence of democracy had stifled economic progress in many countries. She also made a special plea for a reduction in arms expenditure, pointing out that the democracies of the developed world had effectively encouraged the creation of a 'war economy' in many developing nations.

*Peter Pooley* of the European Commission made a characteristically telling and entertaining intervention. While welcoming the 'marked degree of harmony' revealed in the presentations of previous speakers, he also cited Shakespeare ('Life is as tedious as a twice-told tale vexing the dull ear of a drowsy man') in recommending the avoidance of undue repetition during the subsequent debate. This advice may not have been entirely heeded in the discussions which followed but there were certainly some representatives who waived their speaking rights because

the points they wished to raise had already been covered.

Mr Pooley also stressed the fact that while politicians and bureaucrats could formulate useful policies and programmes for democracy (or on any other subject), the economic and social partners were crucial in 'putting democracy to use'.

### Involvement in the democratic process

In the working session which followed, the proceedings began with presentations by the two rapporteurs and two experts whose papers had been circulated to the representatives. *Lucien Glele* of Benin, who is Deputy Secretary-General of the Pan-African Employers' Confederation, focused on the different levels of involvement in the democratic process of the three broad groups of economic operator, namely:

- (i) the small farmers and traditional, sector craftsmen;
- (ii) those working in the informal sector and;
- (iii) those engaged in formal-sector activities.

The first group, he pointed out, were largely absent from the process despite the fact that they are 'natural allies' for democracy, accounting for 80-90% of the population in most of Africa. The second group, to be found mainly in the cities, made a substantial contribution to solving the problem of unemployment and had a particularly important role during periods of economic crisis. Mr Glele noted that both civil servants (when they were not being paid) and businessmen were sometimes forced to operate in the informal sector, giving it a greater dynamism than other parts of the economy. As for the formal economic operators, they tended to be the biggest contributors to state budgets and were therefore 'objective allies of political liberalism and democracy'.

Mr Glele went on to make a series of suggestions for appropriate action to involve businesses in the new democratic processes, to organise the private sector and to restructure the overall economic environment.

From the European side, Mr *Andrea Amato* of the Italian Federation of Workers (CGIL) presented a report



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### 'Natural allies of democracy?'

#### *Small farmers are largely absent from the democratic process*

which, at least initially, approached the issues from a more philosophical standpoint. He spoke of the dangers of fundamentalism of all kinds and, while acknowledging that it might be possible to achieve some economic growth in authoritarian societies, pointed out that the reverse proposition — that authoritarianism was needed for growth — was clearly invalid. 'Democracy', he concluded, 'is the only real route' to economic success over the longer term.

Mr Amato was one of those who was critical about the alleged absence of democracy among international institutions and he argued for changes to bodies such as the International Monetary Fund so as to ensure that even 'the poorest countries can participate'. On the fundamental question referred to above, about the relationship of development to democracy, Mr Amato supported the view that economic progress was vital if political liberalisation was to be successful, referring to the existence of a 'negative synergy' between structural adjustment programmes and democracy. He also called for an end to 'clientelistic' relationships and greater emphasis on decentralisation and local participation.

### 'Half-way houses'

The rapporteurs were followed by two experts who had prepared reports on democratisation in Africa and in the Caribbean/Pacific areas respectively. Tetsfatsion Medhanie, whose study of the

situation in Africa was widely praised by subsequent speakers, took the opportunity to review the position in various countries. He noted that democratisation was occurring in Malawi, Kenya and Angola but not, he believed, 'in a very brilliant way'. He thought that the situation in Nigeria, Senegal, Tanzania, Botswana, Uganda and Ghana was promising, despite certain shortcomings, and described these examples as 'half-way houses'. One of the most interesting parts of his analysis concerned the 'modes of resistance' adopted by those in power. While it was encouraging that brutal military repression seemed now to be outmoded, there were other approaches which had not been foreseen — holding elections before the opposition was organised, delaying elections in the hope that the opposition would lose momentum, and 'playing with electoral law'. Mr Medhanie suggested that the theme of democracy should be popularised, notably in education systems, and he commended the idea of a 'Quality of Democracy Index' (QDI) which would allow an objective assessment of the situation in different countries. His conclusion was that democracy was 'a weak plant' which was being introduced when the base for it was not yet there. Accordingly, it needed the help of 'nurturing devices'.

The second expert report, by *Oliver Jackman* of Barbados, focused on the Caribbean and Pacific states. He described a situation very different to that

of Africa, with democracy relatively firmly entrenched in most of the countries concerned. He suggested that the Westminster model, despite its weaknesses, had provided 'a basis for stable and participative government'. At the same time, he cautioned against complacency. Democracy, he pointed out, was an ongoing process 'which must be kept under permanent scrutiny'.

Mr Jackman also drew attention to a specific problem faced by small states, namely that it is extremely difficult for economic and social interest groups to be seen as apart from local political controversies. He therefore argued for a greater emphasis on regional cooperation.

### 'Punish the thief, not his victims'

In the general debate which followed, many speakers gave details of their experiences from the perspective of their own interest groups in their own countries. From the trade union side, *Rafael Santos* of the Dominican Republic disputed the view that structural adjustment would encourage the appearance of democratic regimes and doubted whether privatisation was appropriate in all cases. *Djibrine Hamdallah* of Chad spoke of the recent repression of trade union rights in his country. *Hassan Sunmonu*, who is Secretary-General of the Organisation of African Trade Union Unity (OATUU), called for the European Community to be

at the forefront of a campaign to reform the international financial institutions and also spoke of 'punishing the thief, not his victims' in dealing with authoritarian regimes.

The special concerns of the Caribbean banana industry were also raised by a number of speakers. Although the immediate connection between this subject and democracy may not be obvious, *Robert Fitzpatrick* of St Vincent and the Grenadines summed up the view of his fellow Caribbean islanders when he spoke of his fear for democracy should banana production come to an end as a result of the European single market and GATT. He pointed out that 38% of the people in his country worked in this industry and its collapse would 'bring our economies to the point of destruction'. Democracy, in these circumstances, would come a poor second to economic survival.

The Jamaican Minister of State, *Terrence Gillette*, used his speaking time to defend his country against criticisms by a British Member of Parliament which had gained publicity in the UK. The criticism, which was based on Jamaica's reported decision to proceed with the execution of convicted murderers, was described by the Minister as 'a shameful and unforgivable calumny on the good name of Jamaica'. Mr Gillette emphasised the probity of his country's judicial system, pointed out that the guilt of the accused had to be 'beyond reasonable doubt' (the English common law formulation) and said that there was a rigorous appeal

process designed to avoid any possibility of a miscarriage of justice.

### Inconsistency

*Ernest Chiweshe* of the Zimbabwe Confederation of Employers drew the meeting's attention to the inconsistency of some developed country governments which had propped up non-democratic leaders during the cold war. He made a telling point when he posed the question; 'How can you expect those same leaders to adapt when you *now* say there must be democracy'. Mr Chiweshe expressed perhaps the strongest opinion of any at the meeting on the impact of structural adjustment. As he bluntly stated, 'the conditionalities of SAPs are so stringent that only a dictator can implement them. Democratic governments would be defeated at the next election'. In view of this assessment, his conclusion that elected leaders 'are put in an invidious situation' might be regarded as something of an understatement!

Another employers' representative, *Paul Balkouma* of the Burkina Faso Chamber of Industry and Commerce, identified a fundamental problem facing democracy, namely that it 'is the purview of intellectuals'. In Africa, at a time when people are thinking about survival and about finding food for the next meal, it is not surprising that questions of political organisation do not figure high on the list of priorities of ordinary people.

The debate was a wide-ranging one and, in the concluding session, the rapporteurs sought to answer some of the main issues raised by the various speakers. The Social Partners then proceeded to the adoption of a final declaration to be forwarded to the ACP/EEC joint bodies, the Community institutions, the ACP and Community economic and social operators and the national authorising officers in the ACP countries.

The social partners' meeting was a good example of democratic discourse among people with a genuine interest in making democracy succeed. The greater challenge, of course, for those who attended from the ACP side, as well as their partners in cooperation, is to create the best possible environment for democracy to work in their home countries. In the present economic climate, it would be rash indeed to assume that democratic systems are just waiting to fall neatly into place. ○

Simon Horner



*A view of the Social Partners meeting in Brussels*

## 'Europe House' opened in Abuja

### *European Commission pragmatism at its best*

The European Commission receives little credit for its immense services to the European Community. Witness the debate on Maastricht, in which it has, instead, been pilloried. Although without fanfare, a long overdue pat on the back came at Abuja following the inauguration of 'Europe House'. 'It was a great delight', said Deputy Director-General for Development, Peter Pooley, 'to hear a number of Community ambassadors express their admiration and envy of the efficiency and capacity of our adminis-

tration'. Indeed the realisation of the Abuja project is an example of Commission pragmatism at its best, extricating Member States from diplomatic embarrassment and doing it cheaply and with style.

Since 29 October 1992, 'Europe House' has joined the Mosque, the Hilton and Sheraton hotels, the ECOWAS building, the Conference Centre and the Presidential Palace as one of the most prominent buildings in Nigeria's new capital. It is easily recognisable with the twelve flags

of the Member States and that of the European Community flying alongside that of the host country.

The presence of the European Community in Abuja must represent for the Nigerian authorities a powerful symbol of the success of their new capital policy, achieved before the planned return to civilian government. It also debunks talk of division among Member States or of a two-speed Europe, for nothing better expresses the movement toward an ever-closer union.

By establishing 'Europe House' the European Community has set its Lomé partners an example that ought to be emulated. This idea was emphasised during the opening ceremony and was echoed in the Nigerian press. Instead of spending large sums on opening individual embassies, organisations such as ECOWAS could envisage sharing common buildings and facilities in the European Community, it was said.

#### History

In the early 1980s when the Nigerian project of transferring the federal capital from Lagos to Abuja was already ten years old and Abuja still resembled a small village with a couple of construction sites, few would have placed a bet on federal institutions moving there in twenty years, let alone in the early 1990s. But to everyone's surprise the pace of work quickened a few years ago making it possible for the official transfer of the capital to take place in December 1991. It was a record as it turned out; Abuja was built at a faster pace than either Brasilia or Canberra.

Yet, a mere three years ago, the situation was entirely different. Although all foreign missions in Nigeria had been allocated plots to construct their embassies in the new capital, few were prepared to do so. Abuja had yet to prove to be a realistic project and it appeared risky to make any investment given the very high cost of the construction of an embassy.

The world watched, sometimes with amusement, as Nigeria prepared for the change. But when it became clear that the authorities were determined to ensure that key government departments moved between 1991 and 1992, there was increased pressure on foreign missions. They had barely two years to make the necessary arrangements. With the pressure on the European Community



*Europe House in Nigeria's Federal Capital, Abuja*



coming from both the Nigerian authorities and the EC Delegation in Lagos, the latter having warned of major problems if Member States' embassies were left behind in Lagos while the ministries moved to Abuja, the Member States were forced to act. The Political Cooperation Group met urgently to examine the dossier.

At the first meeting it was established that the United Kingdom already had a project underway to transfer its embassy. With Luxembourg not represented in Nigeria, the problem therefore concerned ten Member States. The Group decided to send a mission to Lagos to get the measure of it at first hand.

This mission took place in December 1990. It visited Abuja, held discussions with Member States' ambassadors on the spot, and realised that the Community had to move fast. The Commission's proposal for a common building as a temporary solution was enthusiastically welcomed, for as well as being in the spirit of Maastricht and giving Member States a breathing space, it had definite economic and budgetary advantages and was in itself a precautionary step as far as the future of Abuja was concerned. A common building would allow all the Community's installations to be brought together rather than be scattered. All the plots allocated to Member States were, at that time, dispersed around the diplomatic zone. It would also allow the Community to respond quickly to the expectations of the Nigerian authorities.

Once agreement was secured, things moved fast. There was a huge response to the call for tenders and offers were speedily processed. The project agreed upon was for a three-floor building of 1000 m<sup>2</sup>.

### A bargain

The construction contract was signed in April 1991, and the one-year deadline for its completion was more or less respected. At a cost of only ECU 1m, the building is a bargain. The spaces vary from 35 m<sup>2</sup> for smaller countries like Ireland to 100 m<sup>2</sup> for the larger states. Dividing the total cost among the ten Member States, this means, in practice, that some have acquired an embassy for a mere ECU 50 000. And what is more, this sum includes the cost of telephone and fax installations and various other services which are common to the embassies.



DAWODU

*The '9 May' balloon soaring above Aso Rock in the sky above Abuja*

The ground floor has been reserved for the EC Delegation and the upper floors for Member States' embassies.

The temporary nature of these arrangements needs to be emphasised. The facilities are meant to enable Member States' missions in Nigeria to function in Abuja pending a more permanent arrangement. 'Europe House' officially began functioning on 3 November 1992. The process of transfer to Abuja by Member States will begin in January 1993. When all the embassies are settled and have their own transport, the three vehicles in common use will revert to the Delegation. However, certain common services, such as cleaning and security will be maintained. It would clearly be ridiculous to have eleven different security systems within the building!

As this is the first time ten Member States' embassies have been brought together under one roof, there are, of course, legal, administrative and budgetary matters to be sorted out. The experience gained here will be useful for the future.

### Toward a permanent 'Europe House'

The way forward clearly points to the establishment of a 'Europe House' on a permanent basis, according to Giuseppe Rosin, who coordinated the Abuja operation from the Commission end. 'We are

now working towards the realisation of a permanent Europe House where each of the ten Member States will have its full embassy', he told *The Courier*. The Commission has already secured the agreement of the Nigerian authorities to have all the plots allocated to Member States regrouped so that there can be adequate land for the project. It is hoped that this can be completed within five to six years and European architects will shortly be asked to submit plans.

A permanent 'Europe House' means that a number of common services can be envisaged. In the opinion of Mr Rosin, 'one can imagine a single visa section, instead of applicants running around the various embassies for visas. This is the type of point we are considering when planning the construction of these embassies — having areas which are exclusively for each Member State and areas such as the parking, security and health facilities which are common. There are services which could be provided on a rota basis; for example with external security provided every six months in turn by the carabinieri, the gendarmerie or the police of Member States'. Mr Rosin concluded, 'We see the future as rosy because we, as the Commission, have won the confidence of Member States as to our capacity to bring this project to fruition'.○

Augustine OYOWE

## The opening ceremony of 'Europe House'

by Fortunatus DAWODU \*

'We are just giving practical support to Nigeria, which is, after all, the 'giant' of Africa'. The senior European Commission official who said this to me was neatly summarising what the opening of Europe House in Abuja, Nigeria's new federal capital, stands for. The new building is the temporary home of ten of the European Community embassies and of the EC Delegation to Nigeria.

Presiding over Europe House's inauguration ceremony were the Minister for the Federal Capital, retired general *Gado Nasko*, representing the Nigerian Government; *Peter Pooley*, Deputy Director-General for Development, representing the Commission and *Christopher McRae*, the British High Commissioner in Nigeria representing the Presidency of the European Community. The ceremony was attended by many leading figures, both Nigerian and European.

In his welcome speech, the main host for the occasion, *Balduin Zimmer*, who is Head of the EC Delegation in Nigeria, stressed that the idea of joint premises for the European nations and the Commission Delegation had been mooted in various parts of the world for some considerable time. Nigeria, however, was the only place where the idea had, thus far, borne fruit, Abuja being a completely new capital and the Maastricht provisions regarding a common foreign policy also being relatively new.

Mr Zimmer said that he hoped, in the years to come, to see Europe House carrying out its task of making the already friendly and fruitful relations between the European Community and Nigeria even closer, as well as strengthening the

links of cooperation and friendship between the Member States.

Christopher McRae expressed his pleasure at the realisation of the project, recalling that in 1980, he had chaired the first interdepartmental meeting at the British Foreign Office, on the then still nebulous proposals for a new Nigerian capital. He said that thanks to ever-closer cooperation among the Member States, there was every reason to believe that, like Abuja itself, European unity was a dream come true.

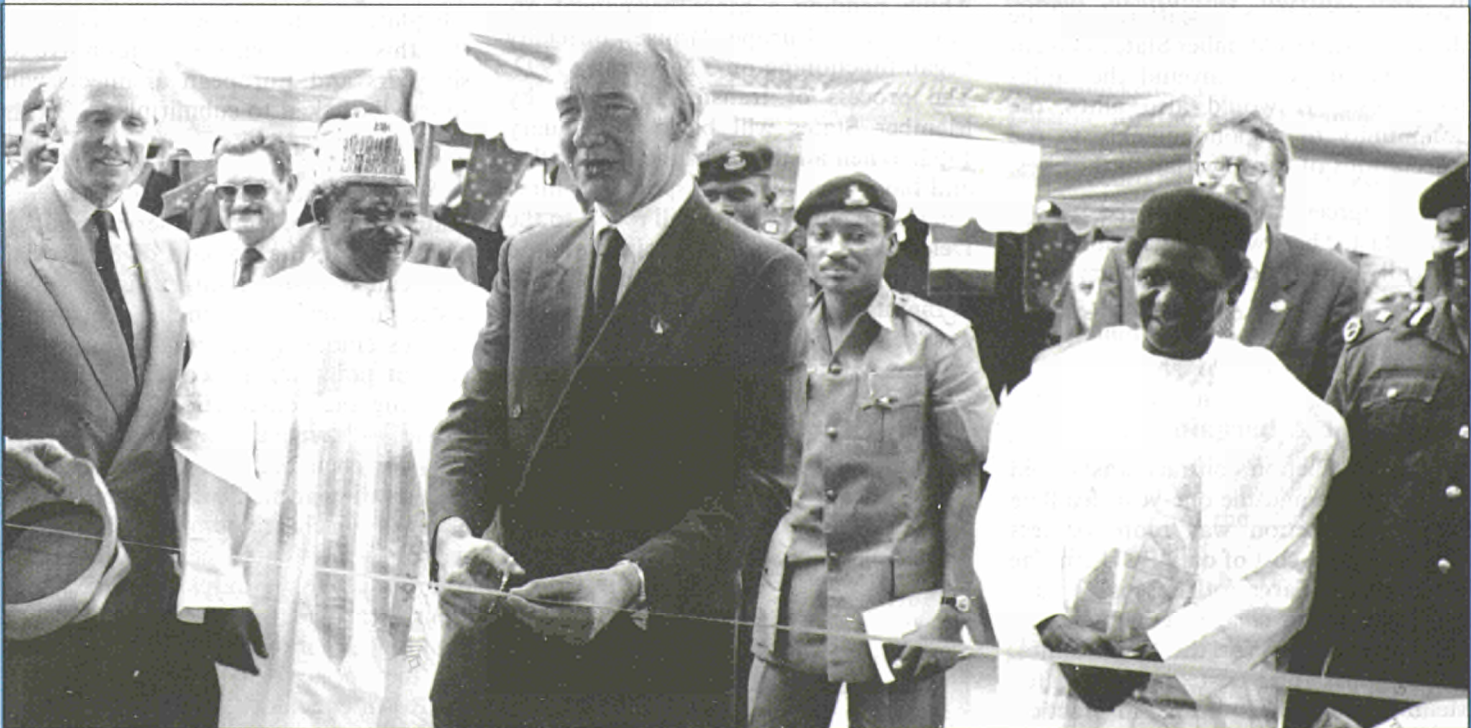
Peter Pooley echoed previous speakers when he observed that the opening of Europe House was both a gesture of solidarity with the Nigerian Government and a symbol of greater than ever unity among the EC Member States.

Mr Pooley later held a press conference, attended by more than 50 Nigerian and foreign journalists, at which he emphasised Europe's intention to remain a loyal partner in Nigeria's development process. He dealt with a wide range of issues including the problem of ACP debt, the possibility that aid might be diverted away from the ACPs towards Eastern Europe and the GATT negotiations.

One of the high spots of the ceremony for hundreds of interested spectators in Abuja was the launching and flight of the Community's '9 May' hot-air balloon, to celebrate the opening of Europe House.○

F.D.

\* Press Officer with the European Community Delegation in Nigeria.



*Peter Pooley, Deputy Director-General, cuts the ribbon at the official opening of Europe House. The UK High Commissioner in Nigeria, Christopher McRae (far left), stands next to the Nigerian Minister for the Federal Capital Territory, Gen. Gado Nasko. On the right, Nigeria's Minister of Agriculture, Abubakar Hashidu*



The Courier

## A delicate balancing act

'However imperfect this society may be, you must be sure you have something better to offer before overturning it'. So said Odette Puigandeu, writing in 'Pieds nus à travers la Mauritanie' in 1934.

Relatively little is known about Mauritania and it still tends to be dealt with in terms of clichés, often leaving people with only partial and sometimes risky, biased or misguided impressions.

This land of 'Wind, sand and stars', said Antoine de Saint-Exupéry, was a 'state which lay between the desert sands and covetous eyes.' It was a 'country of proud, noble people, carved out by the desert and by Islam... where men's feet are shod with the wind'. It was a 'domino nation... against a backdrop of apartheid and slavery'. And in this land where 'journeys are not measured in kilometres... a kind of sedentary nomad's life' had grown... 'in which even nomads whose feet have stopped roaming are still nomads in their heads'. This 'country at the crossroads', said to be in constant quest of cohesion and consensus, has been called 'a link between the Maghreb and black Africa, a privileged place where Arabs and black Africans live, complementing each other, side by side'.

Many of these phrases contain some truth and are worth comparing with the realities of today. If you love this country and go back to it after 10 years away, as I did, it is difficult to keep a clear head and not give in to its charms or to flights of fancy — or indeed to be exasperated by its over-commitment to the West.

One of the first precautions, from a professional point of view, is to take the

advice of Philippe Marchesin,<sup>1</sup> who said that 'going back into the past is the only way of understanding the enigmas of contemporary policy... when there is a traditional system working inside the modern system'.

### Starting with history

The colonials brought Berber Arab nomads and sedentary black Africans together in an artificially created territory between the Sahara and the Sahel.

By the 2nd and 3rd centuries, black farmers, the Bafur, were already there, settling by oases and being chased southwards by the drying of the Sahara and the arrival of the nomadic Sanhadja Berbers and their camels. Those who stayed were kept under by the nomads.

In the 7th century, thanks to trans-Saharan trade and Islamisation, the Arab-Islam phenomenon began to spread.

In the 8th century, the Bilad al Sudan (country of the blacks) was set up in the form of empires and kingdoms (Ghana, Mali, Songhai, Djolof and the kingdoms of the river valley).

In the 11th century, the era of the Almoravids began. 'These soldier-monks, the intransigent propagators of a pure and stringent Islam', became masters of an Ibero-African empire and managed to convert to Islam all the Berber communities which formed one of the two branches of Moorish society.

<sup>1</sup> Much of the sociological information and analyses has been taken from Philippe Marchesin's excellent work, 'Tribus, ethnies et pouvoir en Mauritanie', Paris, Karthala, 1992. Quotations without references are from this book.

In the 14th century, the second branch of Moors, the Bani Hassan Arab tribes, arrived in the Western Sahara and their hegemony, with Hassaniyya, their language, lasted until the 17th century. There was already a split between the Arab warriors (Hassan) and Berber marabouts (Zwaya). In the 17th century, marabout movements, backed by the peasant masses, began threatening the kingdoms of the river valley. The warriors, descendants of the Bani Hassan Arab invaders, put themselves at the head of the emirates — Trarza, Brakna, Tagant and Adrar, 'political units midway between tribe and State... an outline State in a largely anarchist society' — set up in the 17th and 18th centuries.

### Minimal colonial activity

As many writers have said, Mauritania is a colonial creation uniting societies which were both complementary and opposing.

Colonisation was artificial, pacification tardy (1934), economic development wanting, presence weak and global impact marginal.

Although the French were there from the 17th century onwards, it was not until the end of World War II that they saw any direct economic interest in it. 'The idea was to hold onto this buffer State at as low a cost as possible', said a colonial administrator, M. Martin (Mémoire CHEAM, Paris, No 163, p. 3).

Coppolani was the craftsman of the French take-over, the idea being to set up a link between Senegal and Algeria, both of which had already been colonised. He studied Moslem theology and mysticism

and produced a book on the brotherhoods. He counted on a peaceful takeover with the help of the marabout tribes which, in turn, were to make use of colonial support in their age-old rivalry with the warriors. 'Protecting the marabouts from the warriors was strengthening the weak to weaken the strong.' And colonisation helped the emergence of the middle range of marabout aristocrats, particularly since the traditional chieftains often refused to send their children to the special medersa schools for chiefs' sons and often sent children from low-income families instead.

In 1955, a combination of external challenges (the Moroccan claim and the French plan for organisation of the regions of the Sahara) forced the local powers to think of independence. The Common Organisation of the Sahara regions wanted a single administrative body to oversee the economic potential of the Sahara, especially Mauritania's iron and copper and Algeria's petroleum and gas, while France's Saharan ambitions and the annexationist claims of Morocco threatened the very existence of Mauritania.

In 1957, Mauritania was not included in the Common Organisation's territories and the Rigaibat tribes, the 'sons of the clouds', rallied to the French and Mauritanian authorities.

In 1958, the Islamic Republic of Mauritania was officially proclaimed.

In 1959, a parliamentary constitution was adopted and Moktar Ould Daddah was appointed Prime Minister, following election in which the PRM won all the seats.

### **Independence — without immediate international recognition**

Independence was proclaimed in 1960, but Morocco managed to delay international recognition of it. However, diplomatic bargaining led to Mauritania being admitted to the United Nations in 1961, at the same time as Outer Mongolia.

What were the political consequences of the colonial era, independence and international recognition? Factors for stability and instability emerged — on the stability side, Islam and the unchanging nature of external factors and, on the instability side, the constant opposition between the modernising and conserva-

tive tendencies, the role of the ethnic groups and tribes — and they have changed very little since.

### **Moktar Ould Daddah (1961-78) Using young nationalists and prominent conservatives**

In 1961, a presidential constitution was adopted, the Mauritanian People's Party (PPM) set up and Moktar Ould Daddah, back from a trip to Guinea, announced that he was cured of his 'Montesquieu complex'. The multi-party system had been introduced by the colonialists, he said, and was therefore mimicry, a brake on the development of national awareness and an encouragement to both tribalism and centrifugal tendencies. 'I realised... that Western methods were not right for our country. What freedom is there for the hungry? What freedom is there for the sick for whom there is no treatment? What freedom is there for the ignorant? These people have to be socially and economically free if they are one day to decide for themselves whether to say 'yes' or 'no' (Monique Sordet & Ernest Milcent, 'Le Parti du Peuple Mauritanien', *Revue française d'études politiques africaines*, September 1969, p. 38).

In 1965, the single party was institutionalised. Was it justified as a rejection of a tribal-based multi-party system? Moussa Batchilly Ba put it this way: 'It was sleight of hand... in that the single party itself makes use of tribalism' (*Le Parti du Peuple Mauritanien*, Thèse du 3ème cycle, Paris VII, 1983, p. 90). The PPM was dissolved in 1978. According to Mohamed Ould Cheikh, after leaning on the young (mostly pro-Arab) nationalists so as to counter the Moroccan offensive and bring the prominent conservatives into line, détente with the country's northern neighbour (it began in 1964) and the ethnic quarrel (1966) gave Moktar Ould Daddah the opportunity to rid himself of the elements threatening his policy of moderation, linked to French interests.

In 1968, there was social agitation in the mining sector (MIFERMA), with eight dead and 30 wounded in clashes between Mauritanian services and European cadres. The conflict went on in the trade unions and schools for seven years, spreading during the campaigns of 1973.

In 1972, Franco-Mauritanian agreements were overhauled and the decision

to create a national currency taken. Moktar Ould Daddah thus got round the left opposition. Contact with the progressive Arab countries (Algeria and Libya) developed and Libya contributed 50% of the capital of the new central bank, enabling Mauritania to leave the franc zone.

In 1974, MIFERMA was nationalised. The young radicals joined the party, triggering anxiety among the traditional faction and a generation gap.

On 10 July 1978, Commander Jiddou Ould Saleck and Lieutenant-Colonel Mohamed Khouna Ould Haidallah carried out the coup d'état they had been engineering since the previous year. It involved a coalition of officers from eastern Mauritania, with, as ever no ideological motivation businessmen structure and representatives of the traditional power and reflected a desire for what B. Etienne called 'retraditionalisation through an excess of modernity' (*L'Islamisme radical*, Paris, Hachette, 1987).

### **1978-90 — Government by the military — Return of prominent conservatives and integration of the left-wing opposition**

After 18 years of uninterrupted power, instability came in the form of coups d'état, palace revolutions and attempted putsches, all of them based on tribal and ethnic considerations. The coup d'état was more a change of faces than a shift in the traditional balance.

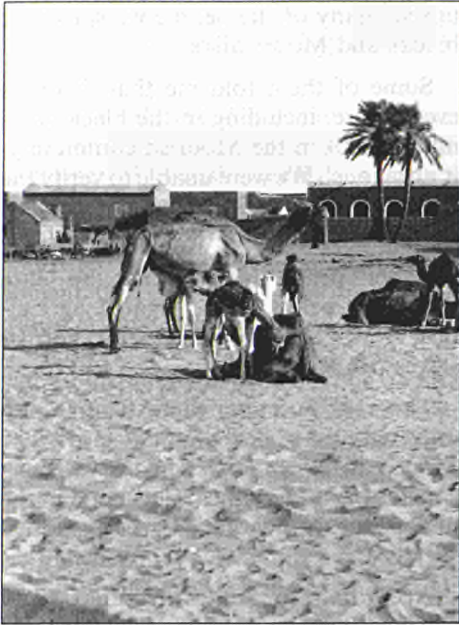
In 1980, Mohamed Khouna Ould Haidallah became President of the Military Committee of National Salvation (CMSN), Head of State and Head of the Government, recommending a policy of 'positive neutrality'. This led to closer relations with Algeria and the Polisaria Front, a distancing from Morocco and a clouding-over of Paris-Nouakchott relations.

In 1984, Colonel Maaouya Ould Taya was appointed Head of the Military Committee of National Salvation, replacing Mohamed Khouna Ould Haidallah. Paris raised no objection to the putsch, as it had always wanted Nouakchott to keep its distance from Algiers and Rabat, whereas Haidallah (who was of Rigaibat origin) had the ill luck to seem to be abandoning the official line of neutrality on the Sahara question.○

Dominique DAVID

## Combining the differences

# Droughts and the urbanisation of nomads



The Courier

Nomads were once both anarchic and disciplined, their society being at one and the same time the most open and the most closed in the world. By tradition, their society was also environmentally aware. In the towns, by contrast, a refusal to abide by the rules is the order of the day.

With the droughts of the past 20 years (since 1968), the nomadic population has emigrated to the towns and the pressure on the land in the Senegal River Valley has increased. In 20 years, the ratio of nomadic to sedentary population (70:30 in 1965) has reversed, as is obvious from Nouakchott's tent-dweller slums and the transfer of cattle ownership to traders and civil servants. The ratio of deforestation (to create grazing land and provide firewood) to reforestation (natural regeneration included) is 10:1.

It is difficult to know just how many nomads there are in Mauritania, but calculations suggest that they still make up 30 of the population as a whole and 20% of the population of Nouakchott. These are the urban nomads, for whom pitching a tent in the yard is the usual practice.

### Senegal-Mauritania: a Mauritano-Mauritanian problem

The heightened pressure on land in the Senegal Valley does not in itself explain what happened in spring 1989. As soon as the country became independent, the black Africans, the main ones to benefit from colonisation, began to worry about the dominant role of the Moors.

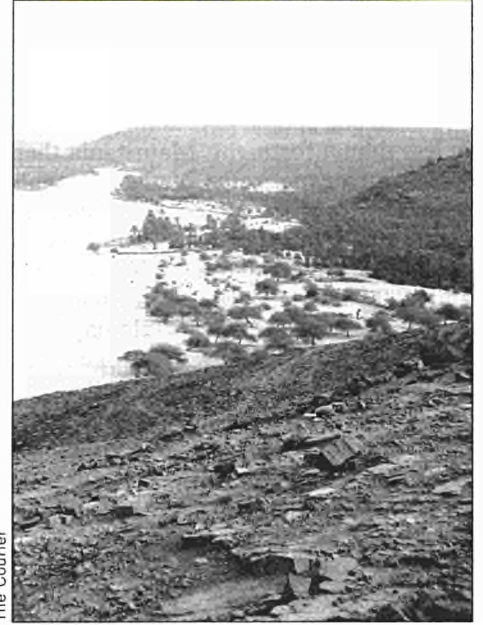
Since then, the country's whole history can be summed up as a succession of alliances and conflicts between nomadic and sedentary groups, centering on economic interdependence and rivalry between herdsmen and the sedentary population.

On top of all this, there was a language dispute. The blacks had been educated in French during the colonial era and got plenty of jobs in the civil service on independence. At the same time, the Moors, with backing from the colonists, got most of the important political posts.

That was all it took. Tension began to emerge between the two communities at that period, with the Moors calling for their share of power in the administration and the blacks wanting some of the key political posts.

In 1965, bilingualism (French and Arabic) was established in the education system. In 1966, black pupils in secondary schools in Rosso and Nouakchott came out on strike in protest at having to undergo teaching in Arabic in secondary school. The strike spread to black civil servants, leaving six dead and seventy wounded in the capital.

Ethnic tension in 1979 led to the generalisation of the use of black African languages alongside Arabic. This was the time when the present President, Maaouya Ould Taya, said that 'the notions of black and white were introduced to this country by Westerners and colonials' (Le Politicien, Dakar, 25 April 1986, p. 4) and Abedellahi Ould Bah Nagy that 'to the eye, black and white



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complement each other' (Jeune Afrique, No 1387, 5 August 1987, p. 57).

In 1986, black African discontent was once more stirred up, this time by the Liberation Forces of the Africans of Mauritania (FLAM), a clandestine and essentially Halpular movement set up in 1983.

### The events of spring 1989

Up until 1989, black activism was a minority phenomenon mainly involving the Halpular élite.

In the spring of that year, 'the events', as they are so modestly referred to, broke out. Philippe Marchesin's idea is that 'what was called the Senegalo-Mauritanian conflict was in fact primarily a Mauritano-Mauritanian affair'.

On 9 April, Soninke peasants in the village of Diawara took on Mauritanian Peul herdsmen over a problem of stray animals. Two Senegalese were killed and there were a number of wounded on both sides.

On 10 April, Mauritanian-owned shops in the Senegalese villages of Bakel and Matam were looted.

On 22 and 23 April, bands of out-of-work youngsters wrecked the shops of Moorish traders in Dakar.

On 24 and 25 April, there were between 150 and 200 deaths in Mauritania and 60-100 Moors killed in Senegal, a large number of them in Dakar.

As Philippe Marchesin said here too, 'there are many eye-witness accounts to give the lie to an over-simplified view of

these events, for in Dakar and Nouakchott alike, black Africans came to the aid of Moors and vice versa'.

But 70 000 people were still repatriated in less than a fortnight. Mauritania then went on to expel some of the nationals who had obtained Mauritanian citizenship since 1966 and large numbers of Senegalese had to go too (between 45 000 and 100 000 to Senegal and 10 000 to Mali). In August 1989, diplomatic relations with Senegal were broken off. Mauritania took in between 110 000 and 200 000 Moors from Senegal, but the current policy is to try to avoid the mass return of blacks from there. Reuniting households is the order of the day. An association has been formed for women whose husbands have been sent away. The loss of an economic basis is always a great handicap for those who have left, but 20 % of them are due to go back into the State system — the 25% rule having been revised downwards in this case.

An historical explanation of the linguistic quarrel suggests that the black African problem in Mauritania has more to do with culture than class. However, it would be wrong to under estimate what is at stake in the post-dam period in agricultural development projects run by the OMVS, the Organisation for the Development of the Senegal River, which combines Mali, Mauritania and Senegal.

## Land ownership

This is of ever-increasing importance. Until 1983, when the land and property system was reorganised, land belonged not to individuals, but to lineal groups, whose oldest members shared the plots out among the families which made it up. The land belonging to a lineal group could never be divided or assigned, only loaned or rented out.

However, the Order of 5 June 1983 said that: 'Land belongs to the Nation... and the State is the legal embodiment of the Nation'. It also did away with the traditional system of collective land rights. So the move over to private property and individual ownership was made as a (theoretical) contribution to the suppression of outmoded social relations (indirect development and the payment of traditional dues, plus, of course, disguised bondage). But black Africans immediately saw this as a danger because of threats of land appropriation by the Moors.

Against this background, resistance to irrigated farming — although by no means new — developed and growers went back to rainfed crops when the rainfall was good.

As early as 1977, clashes had occurred, in particular between the national rural development company (SONADER), the minority owner-farmers and the peasants on the Gorgol Pilot Plot in Kaédi. The official terms for the opening of this plot were that there should be no payment of traditional dues and that the individual plots should be distributed fairly (0,5 ha being allocated in each case). An OMVS survey run at this stage found that 54% of the plot-holders had leased or rented out their plots and 23% of them never went to Kaédi at all.

'Very naturally, what might be called sentimentalism on SONADER's part has prompted peasant farmers to make as much as they can out of the scheme. The funders still have the impression that they are creating a class of permanently assisted peasants, while the cunning farmers were in fact quick to see how to make the most of SONADER's contradictions' (SONADER, *identification des sites pour l'aménagement des périmètres villageois dans la zone du Boghé*, SATEC, July 1982, p. 29).

I was out there at the time and can confirm that, although the official story was that the central authorities were on the side of the slaves (emancipated or not), they turned out to be on the side of the traditional masters, overall, in the field.

## Abolish slavery again?

All these things go on quite naturally — especially to the outside observer — against a background of slavery. More than one person has asked me, cynically, why slavery should not be abolished again. But it was abolished several times over a period of 80 years:

- in 1903, on a de facto basis with French colonisation;
- in 1905 by colonial decree;
- in 1961, following ratification of the UN's Universal Declaration of Human Rights and because the new Constitution made all citizens equal before the law;
- in July 1980, by decision of the CMSN (Military Committee of National Salvation).

This dreadful problem, which of course tarnishes Mauritania's image, severely

upsets many of the people we spoke to, blacks and Moors alike.

Some of them told me that 'it exists everywhere, including in the black community, but in the Moorish community, it's obvious'. We were unable to verify the statement that the Soninke have separate cemeteries for slaves.

Other people added that an élite exploiting peasants in irrigated agriculture is worse than slavery, for normal slaves can leave.

The real question came from a top university man. 'Whose fault is it? The Mauritians of today, who are waging a constant battle against slavery? Or the history of a post-feudal, caste-ridden society?'

According to Abdel Wedoud Ould Cheikh (*L'évolution de l'esclavage dans la société maure, in Administration et Sociétés nomades dans l'ancienne AOF*, Paris, 12-13 June 1992, roneo), it was traders not raiders who were responsible for Moorish society having such a large contingent of slaves and former slaves (accounting for about half the Hassaniyya-speaking population. And of course serfdom may well occur in a context of scarcity where the labour force is a vital asset.

At all events, Moorish slavery is an institution with centuries of history behind it. Traditional law has it that slaves are goods which masters may use for any sort of work or even sell, and are legal minors who are not answerable for their acts in civil law. In return, their masters have to feed, clothe and protect them. Slaves may be emancipated, in which case they are called Harratins. The black African communities have their categories of slaves too, but the phenomenon is more contained.

In 1980, the sale of a female slave on the market in Atar triggered loud protests from El Hor ('Free man'), the clandestine Harratin liberation movement. This led the Military Committee of National Salvation, that same year, to declare slavery abolished once and for all and to provide compensation for the masters (a measure which has never been applied). The committee of ulemas, which had met to give its opinion on slavery, concluded that slavery in Mauritania did not really conform to Islamic sharia law (Declaration of the CMSN, 5 July 1980). As Abdel Wedoud Ould Cheikh makes clear, 'it will take more than the passing of legal measures to put an end to a practice

enshrined in a complex network of economic, ideological and symbolic relations'.

What we should look at now is the real situation of the slave in a system which Philippe Marchesin claims is like a survival insurance. He says that 'the position of a Mauritanian slave cannot be compared with that of his counterparts in ancient Greece or Rome or on a plantation in the United States. The concept of slavery, like many other concepts, cannot just be switched from one culture to another. Mauritanian slaves do not work in gangs doing hard labour. They tend not to be treated inhumanely. Their living conditions vary in the light of the status of their master, so a slave with a rich master may well enjoy better living conditions than the slave of a poor master'.

It is also worth noting that socio-economic changes upset traditional hierarchical relations. There again, as Abdel Wedoud Ould Cheikh makes clear, 'the succession of droughts... in 1968-69... made a decisive contribution to speeding up the process by which slaves who had become a pointless expense were separated from their masters, many of whom had fallen into a state of penury'. In fact Harratin town-dwellers now find themselves with their former masters in a patron-client relationship of neo-dependence. It is not a one-way relationship either, because it enables some Harratins to acquire a position of economic power, to redistribute wealth to their former masters and thus gain higher positions in their tribe and secure elected or political posts. One example of this is the two Harratin ministers in the present Government.

### **Breakdown of the social system — predatory feudalism and clientelist tribalism —**

Moorish society, typically, is divided into very distinct strata, of warriors, marabouts, vassals, artisans, folk-artists, slaves and emancipated slaves.

Traditionally, warriors refuse to do any manual work, since this is a sign that they lack moral fibre, and their vassals pay them dues in return for protection. Marabouts, descendants of the Sanhadja tribes who were beaten by the Arab warriors, are the heirs of the Almoravids and they too are paid for their services.

Vassals are free, but may not bear arms or take part in marabout culture. Many

of them are engaged in herding, paying warriors to protect them and marabouts to bless them. Vassals, warriors and marabouts constitute the Beydans.

Among the artisans, the men are blacksmiths and goldsmiths and the women work with hides and skins.

Emancipated slaves may own, bequeath and inherit property, but actual slaves have no property-ownership rights. The two groups are black Moors, with Moorish culture and language.

Black Africans are Peuls and Tukulors (the Halpularen group) and Soninke, Wolofs and Bambaras. The Peuls, like the Moors, are herdsmen, while the Tukulors, Soninke and Wolofs are farmers. All these ethnic groups except for the Bambaras have strongly hierarchical social structures. People in the servile categories (Maccube) are prisoners of war or have been bought.

An OMVS socio-economic study run in April 1980 said that the 'percentage of slaves in the history of the region had at times apparently reached the figure of half the population of the river valley, conferring its society some of the aspects of a class society based on a slavery method of production involving slavery'. These are integrated sedentary societies which have been farming the river valley in the Sudanese kingdoms and empires since the 8th century.

Colonisation brought about no change in the traditional social order, in which domination and solidarity still exist side by side, thanks to reciprocal client-patron relations and family solidarity.

Drought, the emergence of an urban wage-earning sector, extensions to road transport, migration and education have disrupted traditional society. Tensions between ethnic groups have come on top of the tribal and family rivalries in each group and the conflicts of orders and castes in what was a system of strict social stratification.

### **What did the changes involve?**

Philippe Marchesin says that the people involved often change register and that, typically, social relations fluctuate. Mobility is both vertical and lateral and individuals can change status or tribe at any time. And some social movements are particularly ambivalent, with 'opposition to established ideas often followed by assimilation into them'.

Many people have pointed to a return of the ethnic-tribal factor, especially since 1978. This resurgence could be the natural outcome of a desire to ensure social balance, although it is apparently accompanied by aggressive self-defence, solidarity and patron-client dependency. There are 150 tribes in Mauritania and 100 them are large. Since 1963, the party's policy has been to suppress the already dying chieftaincies. Philippe Marchesin says that 'one of the major consequences of thriving tribalism is the fact that its traditional leading figures, who were recently overthrown by the modernisers, are now taking up positions of power in the party'.

### **Redistribution and political control**

Those are the traditional explanations of the nature of wealth — not accumulation, but redistribution to make for political control. This is what Hamid El Mauritanyi said about it: 'In a feudal State, the bourgeois invest to win faithful followers, not to make a profit' (in *L'indépendance néo-coloniale*, Editions Six Continents, Paris, 1974, p. 315).

Pierre Bourdieu has pointed out that people 'possess so they can give, but they also possess when they give' (in *Le sens pratique*, Editions de Minuit, Paris, 1980, p. 216).

P. Bonte says this (RAMS project): 'Wealth is like a funnel. Touch the opening and it overflows and disappears' (in *Modes d'accumulation et transformation sociales*, RAMS project, Nouakchott, 1980, p. 61).

Along the same lines, A. Claisse says that 'giving is not necessarily generosity and taking is not always theft' (in *Lamalif*, No 128, 1981, p. 48).

In private, most of the people we talked to recognise not just the persistence but the heuristic relevance of tribalism. But for many, tribes can only survive as envelopes in which something else can be hidden. They are empty shells, sounding boxes, scarecrows... 'You can't keep a tribe going with one bloke and three mokes'... Some people say that there is no-one who is vested with legitimate legal or traditional power over the tribe and, in many cases, in fact, economic considerations seem to be more important than rank.

Be that as it may, politically and economically speaking, a balance of neo-tribal and/or patron-client relations forms the basis of Mauritanian society. ○

D.D.

*The dynamics of ambiguity*  
**«Unearned income is the enemy»**

The world has a long history of accumulating wealth through trade, from the big caravans of the past to the mercantile capitalism of 16th century Europe, and similar sorts of accumulation developed locally, outside the production system, during Africa's colonial period. The Moors specialised in commerce — which is why, until independence, the level of accumulated wealth in this country was marginal in trading and herding and low elsewhere. Private investors are still mainly attracted to commerce, domestic and foreign, with road transport and real estate in second place. Partnerships with foreign capital are common in the tertiary sector. Private economic accumulation depends essentially on the State, so it is pointless to attempt a distinction between public sector and private sector.

Work does not have a value of its own as it would in a capitalist system. It is governed by family relations and strategies and the vertical solidarity of the ethnic group or tribe is stronger than the solidarity of any other category. Mohamed Ali Ould Sidi Mohamed, Secretary-General of the General Confederation of Mauritanian Employers (CGEM) told us how he saw the shift from a speculative to an entrepreneurial way of thinking in his country: 'If it is a problem for Africa, it is rather more of a problem for Mauritania, although there has been a clear improvement over the past 15 years, as the population of traditional traders moves over to the modern sectors. This is particularly the case in the fisheries sector, where our nationals derived very little benefit in the early days because of the system of licences. Now, the operators are investing in processing and freezing facilities on land. And since 1983-84 national private capital has been moving towards the agricultural sector and even industry. The Government has also come up with good legal and financial instruments which will discourage speculation and encourage people to invest in the productive sectors instead'.

As one observer of the Mauritanian scene put it, 'the élite often makes bigger profits through bad management, in fact, than through investment — something which does not clash with the traditional

concept of a State which evens out the balance of power.'

Saleck Ould Heyine, the Director General of SNIM, contributed this to the eternal debate about traditional society, culture and development: 'There are universal constraints that all economic institutions have to reckon with. The professional, rational management of resources must lead to success in any given economic context. Just because a country is under-developed does not mean that it has the right to do silly things which other countries cannot afford to do... To return to our country, Mauritians are very hard-working, but they have no method and no idea of time. Stamina is what is needed and sometimes we don't have it.'

So in Mauritania, as in many other African countries, trade is the leading economic activity, outstripping production. There are structural problems too:

- The national economic basis is narrow.
- The country is at the mercy of the climate and the international situation.
- Skilled workers are in very short supply.



The Courier

**Mohamed Ali Ould Sidi Mohamed,**  
**Secretary-General of the General**  
**Confederation of Mauritanian**  
**Employees**

*«The future belongs to SMEs and SMIs rather than big business»*

— Businesses and human resources are not mobile. The productive sector is sparse and difficult to diversify.

— Domestic transport costs are prohibitive.

— The State is inert and the choice of public investments questionable.

— Consumption is minimal, although the country has contrived to run up more debts than it can cope with.

'Because there is no decent-sized market, the future belongs to SMEs and SMIs rather than big business,' the Secretary-General of the CGEM told me, 'which triggers two thoughts. First of all, firms like the SNIM have to be kept going, but investments have to be made in other sectors too. And it is difficult to see just where SMEs and SMIs stop and the informal sector begins — which is particularly important because the informal sector has the benefit of unfair competition. There are no suitable lines of credit, the banks are in a state of crisis and commerce is disorganised. The environment has to be rationalised and appropriate financial tools provided.' The consequences are easy to see. Farming and herding predominate, half the country's employees are in the civil service, a large percentage of the population is on the breadline and there are very few people working in the modern sector.'

The State could organise or introduce the development of modern economic structures. But some people say that mining has no induced effects on Mauritanian society. In fishing, where cash is more important than commercial considerations, imports, for example, are overpriced and exports underpriced. The banks are also finding life very difficult at the moment, which is straight encouragement for the informal financial sector. And is 'banking structure' the right term to use in a country where the rich have set up banks with their own capital? One local observer describes a Mauritanian bank as 'a place where it is difficult to get your money out if you deposit it and where you don't pay the money back if they lend it to you.' Banking structures in fact often work on the old principle of tribal solidarity. Education and health are still luxuries.

There is no doubt that drought, dwindling iron ore prices and the war against the Polisario Front have all helped push the economy downhill and forced the nation to call on external aid.



**Less investment and fewer imports — the price of sound financial management**

On independence, Mauritania based its strategy on the exploitation of iron ore, but it has to be admitted that the indirect effects on the economy as a whole have been poor, despite what have sometimes been its important effects on the State apparatus. The Director-General of SNIM does not entirely agree with this. 'Our contribution to the national economy is not at the level we want. SNIM is a mixed company, with 79% of the shares in the hands of the State and 21% mainly Arab capital. This does not stop it from being independent and the board of administration is its only decision-making body. Our project to enrich iron ore from the Guelbs, under way since 1980, has not produced the expected results. And we have huge debts. We are continuing the drive to rationalise and the European Community is helping us with it, especially with Sysmin, but the external constraints are real. Mining has been unstable for 15 years, our customers are 90% European and Europe is having very serious problems with its iron and steel industry, isn't it? But we have been in sound financial health for three good years now. And let us not forget that the dollar price of iron ore has halved over the past 20 years and that, seven or eight years ago, we started to make a big step from working old mines over to opening new ones. Our research drive is particularly thorough because there are plenty of reserves for the future and the EIB is making a significant contribution to the new projects which are under way.

'However, let us be clear about it, SNIM does a lot for the country's economic development, since we provide added value of UM 10 billion per annum and we import \$50 million-worth for our domestic needs here. And, lastly, what would happen to the underprivileged area of Zouérate and Nouadhibou without SNIM?

'More important still is the fact that, in addition to its financial contribution, SNIM is a very vital pole of technological development, and, of course, for Mauritania, it is a window to the outside world too. In 20 years, we have trained 4500 Mauritanians in various areas of engineering. There are only 40 foreigners to help us and things wouldn't collapse if they left. We were forced to lay off 1000



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**Saleck Ould Heyine,  
Director-general of SNIM**

*«Mauritanians are very hard-working, but they have no method and no idea of time»*

people in 1987 and 70% of them found jobs again fairly quickly with employers who appreciate their professional skills. SNIM is a training centre, believe you me, and a link with international technology.' And how competitive will Mauritania be on the international iron ore market in the future? The market, the Head of SNIM claims, 'is very tight, there is plenty of ore and the operators are sound. The customers are getting more and more difficult and we are trying to improve the service we offer. One of our main advantages is that we have had the same loyal customers in France, Belgium, Italy, Great Britain, Spain and Germany for the past 20 years. A second big asset is our nearness to Europe and, third, we do not deliver a standard product, since we adapt to exactly what the client wants.'

Little by little, the gradual shift from primary to tertiary sector has had the usual consequences — economic dualism, extroversion and dependence on the outside world.

Macro-economically speaking, four sectors dominate — farming, herding, fishing and iron ore mining.

Growth was sustained during the first decade after independence, but economic stagnation in the 1970s led the country to depend on external resources

The 1980s, typically, saw exceptional public debt, GDP growing more slowly

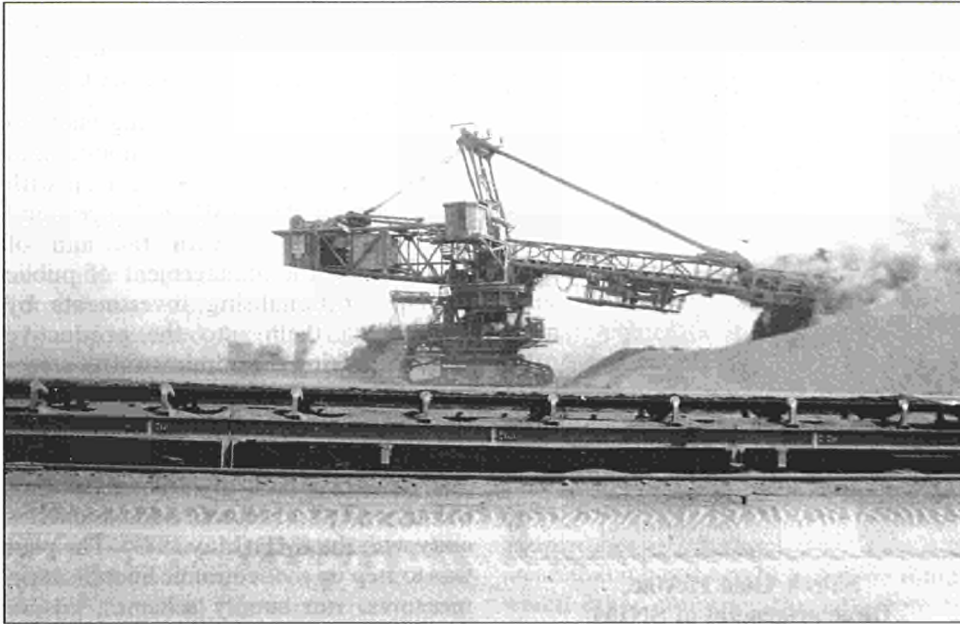
than the population, drought, a generally poor choice of public investment and inefficient economic management.

By 1985, an effort was being made to right the balance. An economic and financial recovery plan was set up with the agreement of the IMF in that year and extended in 1988, with the aim of rationalising the management of public finances, rationalising investments by channelling them into the productive sectors, making the administrative structures more efficient and encouraging private enterprise. A consolidation and relaunch plan (PCR) for the period 1989-1991 was produced after the signing of the upgraded structural adjustment facility with the IMF (May 1989). The plan was to step up the economic liberalisation measures, run supply schemes, ensure careful management of overall demand and liberalise the exchange system and trade.

**Farming, fishing and mining predominate**

In the farm sector, two thirds of the nation's grain output is still produced by traditional methods, which depend on the weather. A third of supplies are home grown, a third is food aid and a third commercial imports, which have been costing more since the Gulf War.

The question is whether to go for intensive or extensive methods. The authorities tend to prefer the idea of growing a single crop using intensive methods because this is positive production-wise, but their detractors claim that there is no real profitability here for the peasant — a particular problem in irrigated agriculture. Many observers think that the rice price policy does not give enough return on their harvest for the peasants to meet their needs and pay back their loans, since the smaller the plot allocation, the higher the production costs. And rice growing involves far harder work than traditional crops. The modern idea of irrigated agriculture is to emphasise water control and produce a surplus, but priority in the peasant society is on security and productivity, the basic aim of the peasant being to secure a food supply for his family and keep the risks down — so he wants to diversify. This prompts critics of SONADER, Mauritania's Rural Development Company, to claim that this organisation envelops rather than develops the peasants (see Ministry of Economic



The Courier

*« What would happen to the underprivileged area of Zouérate and Nouadhibou without SNIM? »*

and Financial Affairs, RAMS project, Situation actuelle du secteur des cultures irriguées, Nouakchott, 1981, p. 27).

Rural Development Minister Mahfoudh Ould Deddach is aware of the debate about irrigated agriculture versus rainfed agriculture (the latter though unreliable). With an annual cereal output of 80 000 t (30 000 t of it rice), the results of the Agricultural Structural Adjustment Programme (PASA) for 1988-93 have not been up to expectations and 400 000 t have had to be imported. He believes that plans featuring State and SONADER withdrawal and greater involvement of the private sector have to be made for the post-PASA period. In particular, input has to be liberalised (but without moving from the SONADER monopoly to a private-sector monopoly) and rural credit facilities laid on.

Some crops are grown downstream of dams, an older tradition than the irrigated plots (which in fact have no history at all), and here the traditional structure is more social than the modern structure, although its performance in terms of intensification is not so good. It would appear to be better to encourage traditional approaches when farming is not capital-intensive.

Even in the opposite case, a number of leading administrators and politicians think that it is high time to 'abandon direct development by the State to the benefit of the very poor peasants who are just being made poorer'. On the Oualo

lands, for example, peasants have no dues to pay. 'As soon as there is any development, there are permanent, fixed charges which are not proportional to production and, if the peasant pays, he runs up debts and either becomes poor or quits.'

The Secretary-General of the CGM said that a summary of Government and SONADER activity in the agricultural sector, particularly since 1984-85, showed that 'the success of private-sector action is out of all proportion with public management. The proponents of privatisation are absolutely right! The funders are also discussing this issue, but there has been a marked interest in the private sector for the past couple of years and a network of businesses has been set up.' On the subject of the constraints on private enterprise in Mauritania, the Secretary-General had this to say: 'We have no complaints about the way we are consulted and involved, in particular through being on the Economic and Social Committee. Some members of the CGEM are also in Parliament. What we think is important is to improve the Investment Code, rationalise the banking system and adjust business taxes to attract capital to Mauritania. Mauritania also has unbeatable comparative advantages to offer the investor thanks to its investment agreements with the Maghreb and sub-Saharan Africa. We are in a unique situation in this part of the world.'

In the fisheries sector, the fleet is old, marine resources (particularly the deep-

water species, the cephalopods, which account for 60% of our fishing revenue) are over-exploited, integration in the national economy is poor and artisanal fishing, with 5500 people and 700 boats in 1990, is not all it should be.

Ahmed Ould Gnahallah, Minister of Fisheries and the Maritime Economy, claims that 'this sector represents 55-65% of the country's export revenue, 10% of GDP and 25% of budget revenue. In 1979-87, the new fisheries policy helped optimise returns by making for tighter integration into the rest of the economy and aiming for stringent, rational management of resources. But structural constraints — inexperience, a non-incentive institutional environment, a lack of skilled labour and poor surveillance and research — are still with us. Over the past 10 years, various measures have enabled us to move from just returns on the licences to the constitution of a national shipping business, an industry on land, better scientific research and sub-regional surveillance. Training has also made Mauritanianisation possible and 60% of the crews are now nationals.' I asked the Minister of Fisheries whether artisanal fishing was also a priority. 'Of course it is,' he said. 'Our biggest handicap lies in the absence of a maritime tradition, and we are trying to cope with it through training. Infrastructure is going up in Nouadhibou and Nouakchott and the Nouakchott land facilities can already freeze 200 t of fish per day and store 15 000 t. Many of our citizens, especially those repatriated from Senegal, are interested in production equipment being made available.'

In discussing the hoped-for partnerships with private European investors, Ahmed Ould Gnahallah mentioned the trend in fisheries agreements signed with the European Community. 'A third agreement is now in view and we want it to enable us both to land some species for processing on shore and safeguard our resources. We hope to increase the value of what we produce, even if we are unable to increase the quantities'. Financially speaking, the Minister said, it was a pity that the quotas were not used and that Mauritania had not made a big enough mark on the Community market and hoped that the partnership would be promoted. 'There should be nothing to prevent it. We are beginning to bring our installations into line with Community standards and we provide a high-quality

product. And we had a 21% improvement in output (value and volume) in the first nine months of the year'.

Cheikh Mohamed Salem Ould Mohamed Lemone, Director-General of the Association of Marketing Operators (SMPC), said that the aims of his marketing company were, naturally, to repatriate export revenue and get back the 13% tax paid to the State. «When it comes to marketing, the SMCP used to have a monopoly in international dealing. Since then, we have set up a marketing institution, which is chaired by the SMPC, but whose decisions are taken by an expanded, five-member marketing committee. The only real problem, over and above these institutional considerations, is processing. We are the only country in the world to export fisheries products in the state in which they came out of the water. Tunisia and Mauritania both sell squid on the marketing circuits of Europe, but Tunisia processes its product and sells it at \$ 13 000 per t and we only get \$ 6 000 or \$ 7 000 for ours.»

In mining, iron ore's contribution to GDP has been in constant decline since 1985. But the country is running a geological-mining research programme focusing on other products, the most promising of which are as follows.

#### — Gold

Prospection is going on in a number of places and the European Community is financing two of the programmes. The results will dictate whether exploitation can be artisanal or industrial and under private or public management (possibly involving a partnership).

#### — Sulfur

Traces of sulfur have been found in the region north of Nouakchott.

#### — Peat

A deposit in south western Trarza is currently being investigated (in particular, this involves sand removal tests). Peat could usefully replace charcoal and thus cover a third of Nouakchott's requirements over a period of 30 years. Private exploitation is envisaged.

### Results of the PRAF and the PCR

Growth was 3.1% in 1985 and rose to 4% in 1986. Between 1985 and 1989, there was a partial overhaul of the nation's public firms (SONELEC, the



G. Pavard

#### Rice harvesting

*When it comes to cereals, «the question is whether to go for intensive or extensive methods»*

national water and power board, and the SNIM, the mining company). Two thirds was knocked off the budget deficit (relative value) and the current transactions deficit was halved.

Recent economic trends give greater cause for concern. 1990 was a year of poor climatic conditions. Domestic policy issues led to the departure of Senegalese artisans in 1989. Mining and

fishing results were poor. GNP displayed negative growth in real terms (-1.5%), after the +4.8% of 1989, and inflation was up at 6.8%.

The external debt doubled in ten years and is now equal to twice GNP (debt is 227% of GNP). Above all, trends in the primary sector are cause for concern. Cereal production was down 59% on the 1989 figure and even paddy rice was down by 5.5%. Fisheries were up 21%. In 1990, in fact, the Gulf crisis occurred during year two of the PCR, which had already been hampered by the influx of 200 000 people repatriated from Senegal in 1989.

The diagnosis which the Prime Minister offered in his general policy statement to Parliament in June last year was absolutely right. 'The economy was hit by the effects of the Gulf crisis just as output in the fisheries sector slumped, so the imbalances were aggravated in 1990'. The sectoral analysis set out in that paper is also interesting.

Farm output increased fivefold after 1984, but has been stagnating since 1990, in particular because the country has no autonomous agricultural credit system. The Union of Development Banks (UDB) is scheduled to be replaced, with support from the funders, by the Crédit Mutualiste.



**Mahfouh Ould Deddach,  
Minister of Rural Development**  
*«The results of the Agricultural  
Structural Adjustment Programme  
(PASA) for 1988-1993 have not been  
up to expectations»*

The Prime Minister insists that there is no point in pouring everything into irrigated methods. 'A large percentage of our cereal production is still dry crops,' he said, clearly with underlying political concern for regional balance.

Herding, the Prime Minister says is 'our most important resource' and 'capital is mistakenly concentrated on the sector.' The Rural Development Minister maintains that herding as a way of life should give way to intensive, modern rearing, which could be done via a system of ranches, with water points, to avoid the transhumance methods that are so damaging to the ecosystem. But cultural resistance is such that it is as well to wonder just how realistic an idea this is, particularly when Mauritanian herding ensures subsistence and a quantity of exports which is worth all the more for being untaxed.

On iron ore, lastly, he said this: 'We only began working the ore for our own benefit when the world price slumped and our reserves were running out.'

On the social front, education takes a quarter of the general budget. The Prime Minister says that priority investments should be in basic education — which is the cheapest to provide and produces the



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**Ahmed Ould Gnallah, Ministre of Fisheries and the Maritime Economy**  
*«In 1979-87, the new fisheries policy helped optimise returns»*

biggest returns. The current rate of school attendance is 50%. Healthwise, he says, 'we are prisoners of a philosophy of curative medicine.'

Data on fisheries in 1991 show that, although catches continued to decline, the value of the fish was up 5.5% on the

previous year. As far as SNIM was concerned, the company signed price agreements with its main customers (Italy and Japan), but at 6% below the 1991 figures. Lastly, the FAO pointed to a poor harvest for 1992, expected to confine local production to 38%, with commercial imports of 60%.

A large cut in public investment has brought the budget deficit down to 4.9% of GDP and, thanks to a decline in imports, the balance of payments deficit is also substantially smaller.

## Devaluation and IMF-Mauritania agreement

Jeune Afrique (No 1660-1661/29 10-11 11 92, pp. 20-21) printed this:

**Question:** What are the immediate consequences for a Third World country of signing a structural adjustment programme with the IMF?

**Answer:** Devaluation, inflation and a curfew.

Obviously the country in question was Mauritania! But how did it happen? François Soudan says that the «Mauritanian episode demonstrates, if indeed any demonstration were needed, that, in the Third World, structural adjustment plans can often only be implemented by strong-arm régimes which can enforce curfews without worrying about it — food for thought for the not always realistic fans of the famous 'democratic conditionality of aid.'

Sidi Mohammed Ould Lemni, a local journalist, put it a little less baldly. 'Horse remedies,' he said, 'as applied by the lords of finance to countries with creaking economies, do not themselves contain the seeds of failure. Success depends very much on what back-up measures are taken by the Governments of the countries which are getting the 'treatment' (Mauritanie demain, 27 10-3 11 92, p. 2). It is worth noting here that one of the measures scheduled for January 1993 was an increase in the basic wage.

The first structural adjustment programme, lasting three years, began with 16% devaluation in 1985. Negotiations for a second programme began in late 1988, but, in 1990, with the Gulf war, Mauritania's policy of active neutrality



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*«Our biggest handicap lies in the absence of a maritime tradition»*

brought the talks with the Bretton Wood institutions to a halt and Arab capital from the Gulf withdrew. External sources of financing began to dry up in the second half of that year.

In December 1991, the talks started up again and on 10 September 1992 devaluation of 27.9% against the dollar and 40% against the franc was decided. The ouguiya, the national currency, is worked out on the basis of a basket of six currencies, in which the dollar is preponderant, and almost all the country's exports and a large percentage of its imports are in fact priced in dollars. These decisions very much reflect a political desire to relax the constraints, as Mauritania had been excluded from the international scene, including the economic side, for three years. So what effects can we expect from the devaluation of 4 October 1992? Opinions, including those of the funders, differ.

Classically, devaluation in a flexible exchange system should mean more expensive imports and cheaper exports. The new exchange rate should not normally make any significant change to the volume of exports, although it may make for a return of capital held abroad and thus make things better for the treasury and the banks. There are a number of reasons for this. First of all, SNIM is entitled to hold foreign exchange abroad and hitherto it only brought back operating expenditure and wages. The Head of the SNIM said that, first of all, 'you cannot live above your means indefinitely. So devaluation is a chance to be seized. And SNIM sells in dollars and buys in Europe, so the decline in the dollar does us much more harm than the devaluation of our national currency does us good. But SNIM has debts, as you know, and devaluation could help us handle them.'

In the fisheries sector, the common but illegal practice of transshipment at sea leads to products being paid for out of foreign exchange accounts in Las Palmas. The big traders also have capital abroad. Devaluation will increase everyone's assets by 40%, which should normally bring capital into the country — although this would really mean increasing investment opportunities and developing a genuine entrepreneurial approach. All this should also go hand in hand with the possibility of exporting capital and,



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**Cheikh Mohammed Salem Ould Mohamed Lemine,**  
**Director-General of the SMCP**  
*« The only real problem is processing »*

ultimately, of converting the national currency. It could be difficult to increase our export products, even if they are cheaper, given the markets, which are low on elasticity and sensitivity, although livestock exports should make for a clear improvement in the trade balance. The level of imports is difficult to reduce because the bulk are staples and input. For all these reasons, devaluation is by no



**Mohamedou Ould Michel,**  
**Minister of Planning**  
*« We all need an inbuilt safety factor... »*

means bound to make any substantial alteration to the volume of trade. Some people even say the terms of trade will deteriorate when the external purchasing power which the country obtains through its exports deteriorates.

Mustapha Ould Obeïdrahmane, the Governor of the Central Bank, said this: « You don't devalue light-heartedly. But it has to be admitted that there had been something wrong with the ouguiya for two years. Just look at the different rates on the parallel and the official markets. Naturally, we expect this to encourage exports, particularly of our fisheries products, and we hope it will help develop import-substitution, because imports are getting more expensive. We have also planned a back-up programme for the hardest-hit sections of the population and a wage increase has been scheduled and negotiated and will be paid soon. We expect this decision to put us back in the international financial community. We also think we can restore the spirit of confidence so as to recreate the sort of investment capacity which will get growth established. There is no point in balance for balance's sake. How can we restore confidence and, particularly, attract external investments through partnership? Restoring confidence, first and foremost, means guaranteeing freedom of enterprise. We have also proposed some varied but practical incentives. Everyone must be able to repatriate his profits and no longer be cramped by a scarcity of foreign exchange. And if confidence is restored, the convertibility of our currency will not be out of reach. But all this would be pointless without a banking reform, which is already a reality. Decisions will have been taken by the end of the year.' »

Let us conclude this economic investigation of Mauritania by asking Mohamedou Ould Michel, the Planning Minister and Authorising Officer of the European Development Fund, for his views on the general situation and, in particular the role of planning in this country. 'We have both to cope with the crisis and prepare for the requisite adjustment. This can be done with the help of indicative planning, which does not conflict with a market economy, and a liberal approach. Planning is no more than good management through forecasting and programming. We all need an inbuilt safety factor....' ◊

D.D.

*Fragility at the extremes*

**Western Sahara — Army up to 18 000 from 2 000**

'We are all Sahrawis', maintained Moktar Ould Daddah, between 1957 and 1975, when he pleaded for the Western Sahara. There was in fact no specific identity for the Sahrawi people in the arbitrary system of frontiers inherited from the colonial era.

In 1975, Spain decided to withdraw from the then Spanish Sahara and announced a referendum. At the request of Morocco and Mauritania, the UN General Assembly took the matter to the International Court of Justice, which came down in favour of the territory deciding for itself through the free and authentic expression of the will of its people. That was when Hassan II started the green march and the tripartite (Morocco-Mauritania-Spain) Madrid agreement authorised Morocco and Mauritania to partition the territory.

In 1976, diplomatic relations between Nouakchott and Algiers broke down and war was on the horizon. On 8 June 1976, a lightning Polisario attack on Nouakchott spelled military failure for the Front. Attacks on the Zouérate-Nouadhibou ore train increased.

In 1977, the Polisario attacked Zouérate. It was decreed that the commanding forces of the Moroccan and Mauritanian armies should unite and, by 1977, there were 6 000 Moroccan soldiers stationed in Mauritania.

A Mauritanian officer interviewed by Jeune Afrique during this period called it: 'an absurd, fratricidal war ... because even their chiefs over there in the North are mostly Mauritanians. What is the Polisario? It comes from our country. It was born here' (Jeune Afrique, No 786, 30 January 1978, p.30). And indeed, a large percentage of the Sahrawi peoples are of Mauritanian origin and Berber stock (Rigaibats and Oulad Dleim).

In 1978, the fact that 10 000 Moroccan soldiers were on Mauritanian soil had its well-known effects on the domestic front and the military took power.

In 1979, Mauritania and the Polisario Front signed a 'permanent' peace agreement in Algiers and diplomatic relations between Algeria and Mauritania were re-established.

In 1981, Morocco and Mauritania met in Taef (Saudi Arabia) and decided, in turn, to re-establish normal relations.

In 1983, President Ould Haidallah announced his intention of recognising the Sahrawi Democratic Arab Republic.

It took only two years for the army to expand from 2 000 to 18 000 men. By 1977, national defence was eating up more than 60% of the budget and, today, the army is the country's most powerful structured force. The present Head of State confesses legitimacy on the role played by the army, from whose ranks he comes, and the army, in turn, ensures his power.

**The establishment of this democratic process**

Politically speaking, the move to democracy is currently under way, as the presidential election of 24 January 1992, in particular, was there to prove.

This election, in which the outgoing President Ould Taya (PRDS) stood against Mr Ould Daddah (UFD, the brother of the former President Moktar Ould Daddah, took place in the presence of a number of observers, in particular French and German officials and two Euro-MPs, Mr Saby and Mr Thomas. The campaign was hard, but relatively free.

Many material shortcomings (very flagrant when it came to establishing civil status problems, with six-hour queues in some polling stations etc.) came to light during the polling itself and the opposition, and indeed some of the observers, complained about fraud. The count was deemed to be correct — except by the opposition.

However, members of the diplomatic corps in Nouakchott point out that Mauritania is the first country in the Arab League to have elected a President of the Republic by direct universal suffrage (Tunisia's experience not being considered as setting a precedent) and most of them suggest that although the percentages would certainly have been different if polling had taken place in

ideal conditions, the overall result would have been the same. Some even talk about 'controlled democratisation' as being evident, in particular, in the fact that there was no constituent assembly (national conference) or government of transition and 'soldiers, who had democratically converted to civilians' (Abassi, *Mauritanie Demain*, No 75, 27 10/03 11 1992, p.12).

Some people at managerial level who are genuinely democratic think that proper alternation was bound not to be able to start at once, since there had to be time for a process of confirmation and regularisation to make way for freedom. As they see it, 'the debate about democracy in Mauritania is not about the good and the bad. It is about those who prefer democracy in stability to democracy in change. Democracy has to become a habit, first of all. The ruling power has to back up the democratic process, change methods and go for consultation and competence rather than submission and loyalty'.

For the three years up to April 1992, Mauritania was excluded from the international political and economic arena — hence the need to make a success of the move towards democracy and the desire, more political than economic, to negotiate structural adjustment. International credibility is a problem. As the Prime Minister sees it, democratisation and the achievement of economic and social wellbeing have to go hand in hand, since the latter is essential if the former is to last.

**The political forces — state of play**

A brief reminder of the historical situation will help clarify Mauritanian politics.

Before independence, the influence of Nasser's ideas and the fight against Western imperialism in particular encouraged the development of Arabism amongst the Moors.

After all, back in 1958, Moktar Ould Daddah himself said 'if we had to choose between a Mahgreb federation and a FWA federation, we would prefer the Mahgreb' (*Le Monde*, 29-30 June 1958).

Three main political groups pre-dominate amongst the Arabs:

— the Baas, who were inspired by the Iraqi model in the mid-1970s and got

most of their recruits from the cadres and intellectuals. The party was subject to some repression in 1981, during the Haidallah reign, despite having taken part in the coup d'état of 1978, and was extremely intransigent towards the black African population in 1989;

— the Nasserites, or Arab nationalists, who brought together Moorish left-wing students and pupils in the early 1970s;

— the Islamists, who were a minority at that period and, despite being Moors, open to black Africans.

The Baasist tendency is still strong in the army and the media, but has little following among the population as a whole. All these candidates were beaten in the parliamentary elections. The Baasists and the Nasserites are currently 'political and military technical assistants', a Mauritanian journalist told us. Overall, among the white Moors, Arab extremists represent 50% of intellectuals in the 18-30 group. Over the age of 30, they make up barely 6% of traditional Moorish society.

There are two movements among the black Africans:

— the Liberation Forces of Africans of Mauritania (FLAM), a group (since 1983) of Halpulaaren, mainly administrators and intellectuals;

— El Hor ('Free man'), a Harratin movement set up at the end of the 1970s to fight for proper emancipation of the slaves.

### The tribal factor gains ground again

The presidential election revealed that the tribal factor had gained in importance as far as these organised movements were concerned, and Ould Daddah, for example, beat Taya at Nouakchott and Nouadhibou.

The young professional classes and 'modernising' intellectuals reacted, toying with the temptation of technocratic authoritarianism. 'We have to elect a Pinochet to move from a parasitic bourgeoisie to a national bourgeoisie which wants pre-defined rules which only a strong State can ensure are kept'.

But the majority of the population, even in the cities, did not feel directly concerned. As one of the people we spoke to said: 'Matters of civil status or the role

of the parties or Parliament are obviously not the concern of people in the shantytowns round Nouakchott, who have to fight day in day out to try to survive and keep pace with the rise in the cost of living'. Yet public opinion exists and it is informed and influential, even if it cannot read the papers. This same group, and indeed many others, think that the campaign for democracy in Mauritania at the moment is essentially a power struggle. 'It is, alias, to be feared that the people and democracy are pretexts rather than aims, that they are simply a stepping stone to power'. Many people, including those in the opposition, equate democracy with overthrowing the existing governments, without really wondering about a democratic change in society itself.

### Legitimation of power and political innovation

What, typically, are the State and political power like in Mauritania today?

As Michel Jobert said recently: 'All public life is impregnated with the past, with its hierarchies, its codes, its usages, its dominated-dominating relations and its tribal constraints and with the anarchy carefully maintained by ethnic and religious groups practising a *de facto* form of nomadic sedentarism which does not take them far from their areas of residence and influence' (Jeune Afrique, No 1652, 3-9 September 1992, about François Soudan, Le Marabout et le Colonel, la Mauritanie de Ould Daddah à Ould Taya, Paris, 1992, JA books).

With this sort of background, the real problem is how to reconcile legitimation of power and the process of political innovation. The legitimacy of power emerges naturally through elections, although, upstream of that, it is founded on Islam and tribalism.

So there are two questions — how to reconcile tribalism with a centralising State and how to reconcile Islam as a State religion with the multi-party system.

Islam has always been the mainstay of social and political legitimacy in Moorish and Mauritanian society. It is an orthodox, Sunnite and Malachite form of Islam which has undergone the influence of Sufi spirituality through the brotherhoods — although these are losing importance to the tribes at the moment. But as Philippe Marchesin says: 'The

cultural code of Islam rules out the emergence of a separate State legitimacy. Legitimate power can only be in the hands of God, who, in contrast with what happens in the Christian world, delegates none of His authority to man'. The principle of non-dissociation of politics and religion is supposed, in theory, to prevent the emergence of a State with its own legitimacy — which causes some modernist Moslems to claim that it is high time to secularise Islam in Mauritania. In fact, it would be reasonable to wonder whether Mauritanian society is not already profoundly secular and whether the rules which apply there (especially as regards respect for individual freedom) do not have more to do with moral than with strictly religious considerations.

The tribal reference immediately takes us on to the anthropological theory of segmentarity (E.E. Evans-Pritchard), whereby a tribe, as 'ordered anarchy', can have no centralised authority. The problem is how to regulate relations between tribes. Can there be a centralist State coordinating particular ordered anarchies? Many people in Mauritania think that the classic formula applied ('taking the realities of the country into consideration') points to a *de facto* federation. As already mentioned, this involves political flexibility, shifting convictions and fluid alliances. The absence of a really centralist State is not, however, incompatible with a process of political innovation, conservative in Mauritania's case, made up of some economic modernisation and social stability. Political instability has always been triggered by conflict among the 10 000 members of the élite rather than revolt among the populations.

This is somewhat oblique innovation essentially because economic resources are short and the narrowness of the market means that the productive apparatus is weak. With the situation as it is, the sizeable élite, which knows how to manipulate the system, makes bigger profits through poor management and commercial speculation than through investment. 'Since 1942, traders have got richer and producers poorer,' was how one writer put it. But Mauritania's administration contributes to this innovation in its own special way by equalising the balance of power — and shows its ability to manage a society in which tribal and patron-client considerations are linked. ○ D.D.

# 'Political pluralism is the best road to development'

## An interview with Prime Minister Sidi Mohamed Ould Boubacar

► *Can I start with a fairly personal question? You, at 37, are one of the youngest prime ministers in the world and more of a technocrat than a politician. Why did someone so young agree to be the Prime Minister of a Mauritania which had returned to democracy?*

— It is always difficult to talk about oneself. At any rate, I find it so. Indeed I have been a technician. I did work fairly early on in the civil service, at the Finance Ministry. I spent 12 years there. I came to politics because of the President of the Republic's grand design of setting up a pluralist democracy in this country, when he did me the honour of asking me to head the first Government of the new republic. So it is because I unreservedly espouse the policy which the President of the Republic has outlined for this Government that I agreed to lead it. For me it is a great ambition and a great plan.

For the past year, as you know, our country has been working towards democracy and, so far, we have set up all the political institutions laid down in the Constitution of 20 July 1991. I sincerely believe that this political pluralism is the best way of assuring the economic and social development of our country too. I am a technician by training, of course, but today I am a politician first and foremost, since I believe that the presidential majority which emerged after the elections in January 1992 has a plan for society which reflects my idea of what the Mauritians want, which is right for the nature of the problems which we have to face and which offers the best political, economic and social solutions as things stand.

I think that my ambition, very modestly, is just to contribute, as far as my means and possibilities will allow, to the drive which the President of the Republic is making with the majority of Mauritians to move our country forward and to open the way to a promising future for Mauritania.

► *One more political question before we move onto the economy... You describe yourself vis-à-vis the opposition as a man of consensus. You also once said that*



*political pluralism could make tribalism lose ground. How do you expect to boost the cohesion of Mauritanian society on this basis?*

— There are two questions there, I think. First of all, I have never described myself as a man of consensus vis-à-vis the opposition. Yet the President of the Republic and the Government have always believed that democracy could not exist without political debate and a pluralist political life — which of course means that there has to be a responsible, dynamic opposition. We set a great deal of store by the presidential elections, because the opposition played a very frank and very important part in them. With the presidential elections, we moved into a rational, responsible pluralist system. Part of the opposition subsequently boycotted the legislative elections — which were in fact monitored by foreigner observers who were known to be neutral. These elections were transparent and the results unimpeachable. Since then, we note, part of the opposition has become more and more negative, refusing to accept the rules of the democratic game and refusing to take part in the legislative elections for the national assembly and the senate. Other parties did take part and there were

independent candidates too, many of whom were in fact elected.

People did their utmost, over and above the guarantees provided by the Constitution, to encourage the political forces to involve themselves in the country's democratic process to the greatest extent possible. It all led to the election of senators and of deputies to the national assembly and we have just had the second session of Parliament.

The Government of the presidential majority has always been open to dialogue and discussion. We think there has to be an opposition and that this opposition has to be responsible and that certain people have to stop adopting what is in fact an anti-democratic attitude. We are open to dialogue, as I said. We continue to work and promote dialogue and we hope that all the country's political forces are similarly motivated and have the same desire to see the country make further progress with a multi-party system and democracy, serenely, calmly and constructively. That is what we have done so far, and we are proud today to have maintained stability through all these phases.

► *In your general policy statement, you said that political pluralism was the only thing that would push tribalism into the background.*

It is true that it has always been said that a multiparty system and political pluralism in the countries of Africa came up against tribalism and its traditional social structures.

Our countries here in Africa have lived under monolithic regimes for something like 30 years, but tribalism has still not disappeared. The best way of countering tribalism, we think, is to go for democracy and I am happy to say that the political parties which have emerged in our country were not founded on tribal bases — which, from our point of view, is an indication that democracy is not the most suitable terrain for the development of tribalism. That is not to say that we should underestimate the phenomenon of tribalism in Africa, but we do believe that democracy is an essential and decisive factor when it comes to reducing and ultimately removing tribalism.



► *The country is in the throes of structural adjustment, and you have recently devalued the national currency, provoking a certain amount of reaction. In your general policy paper, you said that, in the fisheries sector and elsewhere, easy money was the enemy. You also mentioned comparative advantages and said that this theory had to be revamped so it could be of use to the country. Can you say a little bit more about this?*

— Since 1960, our economy has developed with a marked distinction between the traditional sector and the modern sector, it is true. We have suffered from this economic dualism for years, but we have begun to modernise the economy by building bridges between the so-called traditional sectors which make an important contribution to GDP and the modern sector, especially mining and fishing, which currently bring in the bulk of our foreign exchange resources.

We have been working on structural adjustment programmes with the World Bank, the IMF and all our development partners since 1985, aiming to modernise the Mauritanian economy, eliminate dysfunction and ensure greater economic rationality. This was the case in the fisheries sector, which had to be organised and where management methods still have to be adjusted to make for greater economic rationality and better integration with the rest of the national economy. A similar aim is being pursued in agriculture and livestock. These are two traditional sectors and both of them are undergoing rather remarkable development today, especially agriculture.

As to the theory of comparative advantage, some economists have long fought liberalism and recommended self-reliant development. But it is only countries which have been resolute in applying policies of liberalisation and openness which have actually moved forward, improved their economic position and set themselves up for the future.

We in Mauritania are convinced that economic liberalism is now the only choice. At the same time, we are well aware that this poses social problems initially, which is why we have always insisted on preparing programmes which give maximum consideration to social considerations, so as to reduce the harmful effects of structural adjustment policies.

The liberalisation of our economies, demonopolisation, privatisation and everything that goes with them have a real

effect on employment and prices in the short term, so reforms must be accompanied by social and poverty control programmes — social development programmes for education and health, for example, and employment promotion operations. We think that the success of these economic reforms also very much depends on the Government's ability to implement and get funders' support for the social programmes.

We also believe that back-up social measures are needed to ensure the vital social and political stability and the success of the adjustment programmes. This is why the social sections of the adjustment programmes which we have just launched are so large.

► *In the paper to the national assembly I am talking about, you said that the societies which had developed were those which had managed to find the strength to modernise within their own cultures. This is particularly interesting because, no later than yesterday, one of your best sociologists told me that Mauritania's culture stopped in the 18th century. Is your culture perhaps not a brake on modernisation? And, if it is not, how do you plan to join up these two things and your very reasonable aim of modernising the economy?*

— I have a great deal of respect for historians and sociologists, but I do get the feeling that the contradiction between the desire for modernisation and the desire to be true to history is often presented badly. There may be practices and customs in our country which are by no means what we need in this day and age. I am no specialist in these matters, but I do see the way societies are developing and I note that economic progress in most of the developed countries does not necessarily go hand in hand with a loss of culture. On the contrary, economic success today is also the success of culture and civilisation. I believe that our country too can be an example of the sort of modernisation which respects culture and our positive social values. Having roots in fundamental values seems to me to be the best way of ensuring the country's future and the country's development and of enabling it to dip into its cultural heritage to find the strength to build that future.

► *You are going to Brussels shortly, Prime Minister.<sup>1</sup> What sort of message will you have from Mauritania? What do you expect from the European Community and what do you think about what has been done so far?*

<sup>1</sup> This interview took place on 5 November 1992.

— You are well-placed to know that cooperation between the Community and Mauritania has been going for years and that, as far as we are concerned, it is extremely fruitful and friendly and important. We have always had the Community's support.

The Community is one of our leading funders and we have no reason to be anything but pleased with this cooperation, which has reached particularly satisfactory proportions at the moment. I am not teaching you anything when I say that the national indicative programme, structural adjustment support, food aid, Stabex and so on are the pillars of this cooperation. The terms of the financial assistance and the way in which the aid is provided are further cause for satisfaction. This is of course one of the reasons for my trip to Brussels. The other one is the outline agreement of 1992-1994, which is based on a very clear and precise programme of economic reform which demands an effort from the Government and from all our funders, including the European Community.

As far as the Government is concerned, we have the will to see these economic reforms carried through efficiently. Alongside this, our country has committed itself to major political reform — much of it has been completed — and it deals with freedom of politics and freedom of the press — and the economic context is important too. It is important to us for Europe, our privileged partner, to be informed of all these problems, so I shall have a political message to give to them in Brussels. It is important for us, today, now we are committed to all these courageous and by no means problem-free reforms, to have all our partners behind us, Europe first and foremost. We think that this cooperation, which is already very fruitful, can be developed and augmented.

Without going into detail, we have a lot to do and we believe that this cooperation can be speeded up and extended to other fields. I should like to mention something which concerns us particularly at the moment and that is the country's food and agricultural situation with the lack of rain this year. Even bigger efforts will be called for here. We want to bring in all our partners and especially Europe, which has always given us a lot of help in this respect. So, when I get to Brussels, I shall have a political message for them and I shall discuss the economic issues with which our country is hoping for greater and more extensive assistance from the Community.○

Interview by Dominique DAVID

## ‘Ahmed Ould Daddah, opposition leader, says: *We are ready for a responsible dialogue with the ruling party*’

► *You were unlucky when you ran against President Taya in the presidential elections and then you shunned the parliamentary elections. I should like to have your view of what happened in the presidentials, what you learnt from them and what you and your movement think about the general election.*

— I stood in the presidential elections and I wasn't as unlucky as all that because I think I had far more votes than Colonel Ould Taya — it's a matter of appreciation — and I believe that there were plenty of impartial observers, the German and Moroccan MP particularly, who noted irregularities which robbed the elections of any meaning.

Forgive me, by the way, for pointing out that one member of the European Parliament was extremely partisan, not to say accommodating, in telling me that he had seen extra votes stuck in a ballot box only 40 km from Nouakchott. He actually saw it happen and he asked for the vote at least to be reviewed. But it wasn't and, as far as I know, he didn't protest. So, to answer the second part of your question, the elections were utterly shameful.

I know what I am talking about too, because opposition supporters weren't allowed on the voting lists. Everybody knew that. Then, the way it was all organised was completely senseless. Let me give you an example. A police commissioner came back to the Ministry of the Interior at 9 a.m. and said: 'Listen, I couldn't find the polling booth', although voting had been under way since 7 a.m. Then the Government, or what passed for a Government, organised large-scale forgery of voting cards at every level. Even the former Foreign Minister, who is none other than the present Minister of the Interior, was caught with 6 000 forged cards and every member of the Government knew about it, although some of them turned a blind eye.

People were not allowed to go on the lists. Booths were opened and our representatives were refused entry and often thrown out if they objected. And there



were grotesque situations with 18 000 people polling in towns with usually only 2 000 or 3 000 voters. But it still didn't give Colonel Taya a majority. Never mind. A committee of people from the civil service set up in the Ministry of the Interior and came up with reports.

So it was difficult for our representatives to take part in the elections and legitimise this sort of behaviour. We laid down various conditions, including that voting lists should be drawn up jointly, that we should get copies of the reports and be allowed in and have a lawyer in the supreme court — because we know that no one ever looked at our files, that the counsellors never received copies of the memos and so on. But we have never had a reply. So it was perfectly logical to refuse to go along with this appalling piece of play acting. We didn't shun the general election. We simply refused to join in and we weren't irresponsible about

it either. Monolithism there was and monolithism there still is.

► *Can you tell us exactly what your movement comprises? Who follows it and what, overall, is your policy?*

— I am the first coordinator of a party called the Union of Democratic Forces, New Era. The thing about this party — and this is very important — is that it represents all the communities in Mauritania. There is the Arab Community, that is to say, with all its different components, including the Harratins, and there is the black community.

National unity, as you know, has been particularly badly hit and threatened by a number of tragic events since 1988. In that year, many people, particularly our black compatriots, died in prison, tens of thousands were deported and there were many victims. Then, in 1990, there was

what the régime called an attempted coup d'Etat, following which hundreds of soldiers, black NCOs, were massacred. National unity, as you may well imagine, was under serious threat. The big thing for a party anxious to be a responsible alternative was to get unity reconstituted, which was what we did. From this point of view, our party is perfectly representative of Mauritania as a whole.

What about our programme? Well, politically speaking, ours is a liberal party, I should say. We are pro-democracy, of course. We believe in the multi-party system and we believe in respecting the cultural identity of each community in a situation of national unity. So we want to promote the development of what we here call the national languages and generally encourage the identity of each community to flourish, because that is an investment for the national community as a whole. We have also kept French as the language of communication in our cultural programme.

On the economic front, we believe in economic liberalism, although with rules, of course, so there are no absolute monopolies and we can fight illegal price agreements. This is a conventional type of liberalism, with its rules, and proper liberalisation of the forces of production — the authorities adapt to development, that is to say. The biggest brake on development in this country is the civil service, you know. We believe that people must be allowed to take the initiative. We believe that State companies, which by some strange coincidence always run a deficit, have to go and that the State should do no more than regulate economic activity and settle any problems. That, very roughly, is our policy.

► *When you talk to people in your country, Government contacts maybe, or journalists from the independent press, many of them mention a quest for national cohesion, a national union and a Government of national union. Is this serious, do you think, and, if so, would you be willing to be part of a Government of national union? Or do you imagine you will just stay in the opposition and wait for the next elections?*

— I do not think the policy of the ruling party is a serious policy at all — which is why I am staying in the opposition. I spend my time criticising their policy and pointing to the genuine dangers it involves. In any case, a serious policy

cannot involve constantly hiding the truth from people. Let me give you a very simple example. The national currency was devalued recently, according to the Central Bank by 42%. But they said it was only 27%. You can't take that sort of thing seriously. They also claim that their policy is prodemocracy and then behave in exactly the opposite manner, banning us from access to the State media. Meanwhile, the PRDS, a so-called party but really the administration in disguise, spends its time saying whatever it likes, but saying the opposite on radio and television. Secondly, the Constitution guarantees freedom of association, but we are forced, in violation of that Constitution, to ask for permission whenever we want to hold a meeting. We tried to demonstrate recently, peacefully, as we always do, against the leaders' policy which is responsible for devaluation and rising prices. I am sorry that my compatriots all too often make the same mistake as the ruling party and shift too much of the responsibility onto the shoulders of the funders, the World Bank and the IMF — although the World Bank and the IMF do indeed have some very harsh agreements which are not social at all. But let us not forget that it was this régime which got the country into such a state. As we say here in Mauritania, 'don't chase after the stone and forget who threw it'. So, basically, it is this régime which ruined our country and led it to the brink. It was no longer in a position, ultimately, to do anything but do their bidding. This is the third agreement of the kind, alas, and all the others were badly executed. Money will be misappropriated, commitments won't be respected and we will be on our way to another, even more drastic agreement in a year or two. Basically, the régime isn't serious at all. It isn't serious in its conception of democracy, it isn't serious in its internal policy and it isn't serious in its international policy either. It usually tells the people the opposite of the truth. It is very difficult to collaborate with a régime of this kind, but our party, in a spirit of responsibility and seeking a consensus, has made it known that if the ruling party really does want to open up and is willing to agree to start the democratic process up again, then we are ready to join it in a responsible dialogue and to look for ways of working together, including on a basic reshuffle of the Government. We are not interested in anything else.

► *On the international policy front, the AMU summit is being held in Nouakchott at the moment, isn't it? Mauritania is trying to preserve its position as a link between North Africa, the Maghreb, the Arab world and black Africa in general. Do you expect to cope with this dual membership of the Arab world and the black African world?*

— The régime has done nothing but take up ambiguous position for several years now. It has managed to be on bad terms with all its neighbours, to the point where, at one time, you could only get out of the country by plane. A country's foreign policy is always dictated by its history, its geographical environment, its economic situation and its cultural roots. From that point of view, I believe, Mauritania is in the Arab world and we have always had very profound and fruitful relations with the countries south of the Sahara. Until 1978, Mauritania played its part in what I believe to be a positive and constructive manner for the Arab and African worlds. I do not think it is in a position to play that part at the moment, particularly when it comes to the problem of the Sahara. As for AMU, you know the burden Mauritania has to bear, because it was discreetly and firmly asked to pass up its turn as president a year ago because there were very important issues to discuss with the European Community and it was thought that it would be preferable for the president to be Morocco. Mauritania complied. For the moment, my feeling is that AMU is an organisation which has brought nothing and solved nothing. If the idea is to be pragmatic and constructive, the easiest thing to do would be what you have done in Europe, so that, armed with an identity card, you could go from Nouakchott to Tripoli without any problems, customs problems would be tackled and tax harmonisation programmed. We have to come down to earth. We have to take a hard look at the problems and find pragmatic, gradual solutions. I have not seen AMU do anything of the kind. It has had meetings, but that's all, and Libya can't even attend them. How can it? Its representatives aren't going to walk, are they? Yet Libya is a member. I don't see the King of Morocco taking the political risk of coming to Mauritania for the time being either. So, personally, I don't expect the meeting to achieve anything. I don't think anyone expects much. If only it could do some practical talking about

the problems of the Magrheb and come up with constructive concertation and domestic détente in each country. But I am convinced that none of this will be discussed because of the sacrosanct principle of not interfering in the internal affairs of other countries.

► *Do you have financial and political support from parties or governments in other countries?*

— A serious politician should have no secrets. Everything should be made public. My answer to your question is no. I may have a reputation in some circles, but, you know, I made my political début in December when I stood in the presidential elections and I haven't been out of the country since, so I have no foreign support, at least not officially. I think there is a tendency to exaggerate foreign support and to muddle things up. Foreign support should never be a substitute for domestic support, but that is what is happening at the moment. People, particularly Westerners, are often surprised that their policy isn't understood and doesn't bring the anticipated results. Inevitably. If you do the opposite of what the public opinion for which you are working wants, there is no point in expecting it to be grateful. It is bitter very often, because, without certain countries' support, these régimes would be in a far weaker position and they would very likely be much more inclined either to go — and that would be the best solution — or to find dynamic compromise solutions with their partners. But French support especially, makes the régime think it doesn't have to respond to appeals and warnings. Some things drag. Minor, cyclical interests may come into play and then you get results which do not entirely reflect the seeds which were sown. Thanks to its geographical position and its past, particularly since independence, our country has major interests in Europe, both as a trading partner, because the bulk of the iron which we export and many of our fisheries products go to Europe and the bulk of our imports come from Europe, in return. Much of our aid comes from Europe. I think that we in Mauritania have every interest in having very good relations with Europe. Ours is a small country, our needs are limited and we have various resources which are to be redeveloped. We also have a population which is traditionally frugal and does

business — which is a quality. I think there are many things we can do with Europe which would serve development, that are in this country's genuine interest and in line with the prospects and philosophy of what Europe can do and what it is trying to do with varying success

in other countries. From that point of view, I hope that Europe will put its whole weight behind the drive to get Mauritania's move to democracy completed smoothly, with due respect for the principles and choices of the people. ◻

Interview by D.D.

## Hamdi Ould Mouknass\* Our country is a reflection of Africa as a whole



► *Seen from the outside, Mauritania's opposition is quite difficult to come to grips with. Can you tell us where you fit into this opposition and what is special about your movement?*

— Let me tell you, first of all, that, for many internal reasons, we and some of our friends have put our relations with

the main opposition party, Force Démocratique, on ice and we believe that Mauritania is expressing its own specific Mauritanian and Mauritanian-Negro nature. Every movement must reflect what I should call the physical face of our country and not forget the part it has played as a link between the Arab world, the greater Maghreb and West Africa. Every political movement should be a move towards union. It should be a

\* Former Foreign Minister.

moderate movement which is both liberal and reflects the will to bring people closer together — a will for unity, that is — and in fact this means eliminating all extremism. We are establishing contact with a view to setting up as a political party and we are thinking about all these things.

► *Yours is often called a centrist group. Do you personally want to be a man of consensus both in the opposition and maybe with the present majority too?*

— We have indeed been labelled centrist. As I said, we are establishing contact and thinking about a political plan embracing all existing political organisations, with the idea of going one step further, and it certainly involves this notion of moderation. Responsibility is called for and this desire to work for unity and moderation perhaps marks us as a centre movement. We are part of the opposition to what you call the presidential majority (with «majority» in inverted commas), but we are in favour of using dialogue to settle every issue, however sensitive.

► *A look at your country's history shows that relations between the two communities have always involved rivalry and complementarity at one and the same time. What complementarities could political action develop to achieve the cohesion which you want to see?*

— Any national community in any country will have its «rivalries» — in inverted commas again. But our country has always reflected complementarity, I think, first of all because we belong to the same religion and there is no question of ideological, religious confrontation, more of complementarity between north and south. Even before the colonial period, with the country as it was before, you sometimes had chiefs in the south, in the Mauritanian Negro community that is, who were allies of chiefs in the Mauritanian Arab community in the north and these alliances worked against the chiefs of cantons in the south and sometimes against the chiefs of tribal confederations in the north. So there tended to be complementarity and practically never confrontation. Every community has its own special features, of course, its own culture and traditions, but this is our wealth. As I see it, our country is a reflection of Africa as a whole, with an Arab north and a Negro-African south. It has to be a reflection of this reality, which is to say that everything to do with the African world must have a specific reflection and echo here in this country. This is why, since independence,

we have been the constant supporters of liberation movements in South Africa, in Zimbabwe, in Mozambique and in Angola. But as we are also Arabs, we are attached to the Arab world too and everything in the world has a special echo here, particularly among the Mauritanian Arabs. This explains our solidarity with the Palestinians. National unity is the basis for everything in Mauritania. Everything we do, all our economic development programmes and our agreements with the IMF and the World Bank depend on boosting our will to live together. That is why our movement — which will no doubt be working in a more highly structured political framework tomorrow — will continue to strive for the consolidation of national unity.

► *But what can political differences be founded on in Mauritania if you do away with the ethnic and tribal framework? Do you yourself have an ideology to refer to and, if not, in the name of what do you expect to gather people together if not ethnic or tribal considerations?*

— First of all, I have reservations about every political movement and political party having what is essentially a tribal basis at the moment. I have to say that it is something which is entirely foreign to me and to my group. The plain fact of the matter is that our country is made up of two entities. That is basic and must be reflected in all political action, which means that there cannot be an exclusively Arab party or an exclusively Mauritanian Negro party. Any party must reflect the living reality of the national population. Our movement is liberal in its approach to economic action and it is liberal in its approach to politics too. It is pro-freedom of involvement and pro-freedom of the press. But this liberalism still has to be adapted to conditions here, because we are a developing country, a nation under construction, and the State cannot take no notice and let liberalism have free rein.

► *The economic situation in your country is particularly serious, as it is in many other parts of Africa, and there was violent reaction to the devaluation of the ouguiya recently, wasn't there, with demonstrations in the street and a curfew? How do you react to things like that?*

— After more than 10 years of running the country, the present ruling party called in the IMF. If the IMF had not been useful or the country's economic health had been good, then the IMF would not have come here with its recipes. But the economy is on its knees and a solution has to be found. The

responsibility for this, as we see it, lies with the disastrous management of the ruling party. All countries call on the IMF in situations of this kind. The thing is that, when we applied to the IMF, we should have got everyone involved, because the management of the country is the concern of everyone who lives here. Diagnoses should have been made first, the whole population, the economic operators and the trade union representatives should have been told, people's views and suggestions should have been listened to and the pros and cons of the agreements with the IMF should have been clearly set out. We are in what is called a democratic régime and the national assembly should represent the people. But it was neither informed nor consulted. The decision was taken by the Government alone.

► *What should Mauritania's international policy be, in your opinion?*

— First of all, this is a small country, it is fighting for survival and so considerable modesty is called for in talking about it. That is not to say that we do not have our own special features and originality. When the President of the Republic had responsibilities at a particularly difficult moment, he said that our country had to be a link between the Arab world and black Africa. That is a constant, I believe, and it means that our foreign policy has to be something which brings us closer to people and makes for moderation. Our action has to fit into a regional unit, our immediate environment. We should have good relations with Mali and Senegal, countries with which we are friendly. Our action has to reflect this north-south solidarity, which is vital because it reflects the reality of our nation.

► *You are an Islamic republic, but many of your political leaders have said that you cannot found a party on Islam alone. There are various so-called fundamentalist tendencies in Arab countries and in neighbouring Negro-African countries which have espoused Islam. But the history of Islam in Mauritania is very special and I have the impression that you don't have that fundamentalism here. Can you tell us why?*

— Islam is part of our everyday lives here in Mauritania. It is like the air we breathe and any extremism is out of the question. Mauritians practise their religion freely. There is no constraint. Any extremism is rejected, fundamentalism cannot develop here and we think it is odd to take religion for anything other than tolerance, acceptance and dialogue.○

Interview by Dominique DAVID

Interview with freelance journalist  
Yahya Ould Bechir

**‘Our job is not to put forward ready-made social, political or organisational formulae’**

► *You are in charge of the publication Al-Bayane, reputed to be one of the leading lights of the independent press in Mauritania, not just because of its circulation but because it comes out in French and Arabic. How did the paper come about and why did you create it?*

— Al-Bayane first came out in December 1991, when the move to democracy began and we were given the freedom to publish it. What was being said at the time wasn't the message that we wanted to hear, or it wasn't expressed properly, or it wasn't put across in a technically acceptable way. Pamphleteering and stereotyped writing had to go.

**‘The language of democracy was missing’**

► *How was your message different?*

— On the one hand, there was the official story, the provocative version put out by the military which went: ‘I took your freedom, but now you have grown up, you can have it back’. The other message was a mechanical attempt at explaining things using the class struggle as a reference. We had democracy, but we didn't have the language of democracy. We didn't choose democracy. It was given to us and it is dangerous that we do not have a user's manual for it. It's rather as if you had given us a machine without explaining how to use it. The problem is the same as with development through technology transfer. Just as we never made a success of development through technology transfer, we shall never achieve social development by importing or being granted democracy. The aim of the editorial team is to express a way of seeing things rather than an ideology. This is one of the reasons why 60% of our paper is written by other people.

► *Would it be right to say that you are not looked upon as an opposition press but*

*rather as a channel for explanation and social criticism?*

— It is true that we haven't got a specific editorial line. We do not really have an editorial, except occasionally. Our lack of an editorial line is a result of a lack of a set political line. Our approach is critical of a particular type of social organisation. But we have no fixed ideology or politics. We have no miracle answers. Our job is not to put forward ready-made social, political or organisational formulae. By putting problems forward clearly and impartially, we have a basis to start seeking solutions.

Politically speaking, we see very little difference between the ruling party, the PRDS, and the opposition, the UFD. If there are differences, they are minimal. A lot of people have joined the PRDS because it is in power, but if the UFD got to power tomorrow, those same people would join the UFD. There is no fundamental dispute between them as to the type of society they are working towards. Ultimately, they are identical — apart from the UFD being more emotional than political.

**«Beggars mustn't behave like lords»**

What we want to do is propose an approach or method. We don't want to take power. We are rather like Louis de Saint-Just in thinking that any government, be it from the present opposition or the present ruling party, is the enemy of the people. We are highly critical of the system of social values.

► *Your approach reminds me a little bit of that of a Gramsci-style organic intellectual. Don't you feel that, as far as traditional society is concerned, you are a little bit off-centre? Is there a specific mode of development which can cater for this?*



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— Mauritania's particularities are being used for political ends. Everyone has their particularities in fact, but this cannot be a pretext for refusing contributions from outside. Just because I am different does not mean that I have rejected things — democracy, say — which have not originated in my country. Our backwardness in development must inevitably be reflected in other fields. It would be wrong to cut ourselves off even further because of our particularities.

**Self-sustaining underdevelopment**

► *Are the causes of what you call your economic backwardness in fact cyclical or structural?*

— They are mainly structural, although some of them are the result of cyclical events like drought or military action! The essential thing is to change the quality of management. We must contrive to break the system by which, despite international aid, our underdevelopment is self-sustaining.

► *Do you think people's attitudes have to be changed too?*

— That is the big problem. Attitudes have to be changed. They change all the time, of course, every day, through communication and being open to the outside world and seeing pictures from all over the place. Economic difficulties and

their corollary, structural adjustment, mean that people's outlooks have to change. You can't treat slaves as inferiors if you can't balance your own budget at the end of the month. Impoverishment alas, is a source of social progress. People's attitudes do change, but we need leaders who take account of these changes at the grassroots. It is the leaders' attitudes which haven't changed. They ought to want to, but, tragically, they don't. We need a strong team of leaders, with efficient management methods — not necessarily highly democratic methods, but involving technocrats, whose outlook has changed.

Let me give you an example. A Mauritanian man wears something like 30 metres of material when two would be plenty. People haven't changed their outlook yet, but they have changed their behaviour. And let us not forget that these notions of outlook and particularity can sometimes be used as political pretexts pure and simple. In other fields, those same political leaders do things which people disapprove of. It is a fact that corruption, for example, is condemned by people of all opinions all over the world. But that doesn't stop them from being corrupt! The real question is whether a change in attitude will bring about development or development will bring about a change in people's attitudes. The truth is no doubt somewhere between the two. Everybody has to go part of the way.

### Aid goes to people who aren't ready to receive it

► *We now know that the development you are talking about is an internal process and as much a social, cultural and political change as an economic one. So what can external cooperation do? Keep pace with the process or trigger it?*

— This is something I am very pessimistic about, because I believe that aid has not really been a success — humanitarian considerations apart. When it comes to humanitarian action, the Europeans have always come to the aid of other peoples in a very sentimental way. This kind of aid is vital to mankind, which forms one big village. But the last couple of decades are no cause for optimism about aid as a means of development. This aid goes to people who aren't ready to receive it. We aren't properly set up or organised to make this effort yet. Development aid

should be a lever rather than a top-up. But aid is still aid and must not replace the essentials.

► *Going beyond your internal constraints, you have external constraints too, don't you? Your country is often coveted in north and south alike...*

— My country is at the edge of the Maghreb, at the edge of West Africa and at the edge of the Sahel. Edges are extremities and extremities are very sensitive. Spatially speaking, the Mauritians are concentrated along the River Senegal, with pockets in the north, near the mining towns. The local populations feel they are being invaded by the other people who come because they have been forced out from the desert. A new system of land distribution has to be devised. And the Maghreb is closer to the centre of world development than we are, closer than our south. It is perfectly natural for Mauritania to look more towards the Maghreb. The AMU is our last remaining hope, really. We have always looked south, so such a change will not occur without upheaval. But the choice is justified by history, geography and the economic situation. It's completely logical. However, it would be wrong to back out of the south. The south has to accept the fact that Mauritania is in the Maghreb too. We cannot break with Senegal. That must be made clear. Perhaps we should even break off for a year or two, just so they will realise that it is possible for us to be in the Maghreb and with them at the same time. For decades now our affiliations in the south have been a source of frustration to our Arab populations and Arab nationalism was indeed exacerbated because of it. We are moving towards a new balance which will bother the Black-African population to begin with. But we shall achieve normal stability. The Arabs have all that comes from being a linguistic, cultural and ethnic majority and the others have all that comes from being Mauritanian. We have to start striking a fresh balance now if we are to achieve a situation of normal stability.

► *How would you characterise the independent press in Mauritania?*

— We are still very much on the sidelines. Everything possible is done to ignore us. We have no access to information. We have never had an interview from any Minister or the Head of State.

We exist, yes, but are not given the resources on which to exist. It is not the Ministry of the Interior which operates the censorship. It is the population itself. Say something unpleasant about someone and the whole tribe will be on your back. The people themselves cannot cope with the idea of a journalist's job taking him beyond his tribal or ethnic affiliations.

Economically speaking, the market is very narrow. Very few people can read. And there is a huge rift between the two cultures, the Arab and the French. So our already small market is split into two. And because the market is so small, the cost price of newspapers is very high. So it's a vicious circle. We are looking for a way out. We are trying to get together in a kind of economic interest group which could bring the sale price down. The problem is covering the country at a reasonable price. We get help from UNESCO for a news distribution service, but for the rest, we depend on income from advertising and subsidies from the State. But the share of advertising is such that advertisers focus mostly on the official press. In fact, the independent press is the only evidence of a democratic regime here in Mauritania. It is as useful for society as for the Government itself. One of our problems is training journalists. Our entire team is composed of teachers, but teachers are not journalists. UNESCO, France, Germany and the United States are helping us as a move to sustain press freedom, particularly in the areas of training and exchanges. A press company has to be profitable, of course, but it must not be a financial high-flyer. It causes envy if it is. If the press is poor, that is its biggest guarantee of independence.

► *We have said a lot about the written press, which, to quote the current President of Mali, is the 'literate talking to the literate'. What is the situation as regards radio and television?*

— That is something I am very pessimistic about. After a year and a half of democratisation, there is no democratic opening in these areas of the media. However, I think it would be a mistake to confuse the number of existing forms of the media with democracy. As our country is poor, I think it is better to open up the existing media rather than have more of them. ◯

Interview by D.D.

## Women in Mauritania\*



VIVANT UNIVERS

*'Men are so strong that they have managed to make us believe whatever they wanted'*

Women may have the same rights and duties as men according to the Koran, but in Mauritania, they are inferior. Amongst some of the difficulties women have to confront are:

- endemic disease and repeated, frequent pregnancies;
- the fact that the men go away to the towns;
- a heavy domestic workload;
- no legal protection in either the family or society;
- not enough food.

Fortunately, such social practices as force feeding and excision are on their way out, but one cause of women's inferiority is still the fact that they do not get any proper schooling — despite the old adage which says that when you

educate a man, you educate an individual, but when you educate a woman, you educate society.

The main purpose of marriage is to keep the group together and most marriages are arranged, with the parents' consent. Class is still all-important and marriage is not an opportunity to change castes. And although men may marry foreign women, women who marry foreign men run the risk of being disowned by their family. The law of Islam — which some women challenge — says that a man may have four wives, although the wife may get the qadi to apply special conditions to the marriage, in particular to prevent the husband from entering into any further marriages, in which case she may suspend any other legal wives.

But divorce is a scourge which undermines the whole of Mauritanian society and the distress it causes emerged clearly from the discussions I had. Men are unhappy that women do not invest their energy in their marriage. But what is the

point of making an effort when, by denouncing her in front of two witnesses, a man can arbitrarily throw his wife out? Women complain that they have no home of their own. Indeed, those with divorced parents, who had no home to call their own in childhood, see the past repeating itself with their children.

The main complaint is that women have no means of legal protection or recourse. For the time being it is the social code that has the final word. A draft legal code is on the drawing board, but nothing has really been codified as yet and husbands still take any decisions on their own. Under Moslem law, when families split up, the mothers get custody of the children and the fathers have to provide for them. However if there is a difference in social class, the husband keeps the children. With 33% of women divorced, all this creates considerable family instability.

### What women's promotion?

Many people have found that despite their modesty and apparent distance, women are the mediators in a society where galantry is the order of the day. Others suggest that the acquisition of power depends on influence and recognise the fact that 'behind every great man there is a great woman' — what some men call the charm of domination and some women domination through charm. Women are genuinely present in private life, it is true, although often as no more than keepers of the peace of the household. And they are free to do what they like with their belongings, without their husbands' say.

Economically speaking, equal pay is the rule, more or less, in the modern sector but only 4% of women work in it. However, their economic power in the informal sector is considerable.

Administratively and politically speaking, women are represented in the civil service and they played an important part in the contestation of the 1970s. Their main claim is still for laws to prevent their husbands from throwing them out at will and to prevent so many divorces or at least to provide social protection to reduce the suffering. Many women regret the passing of nomadic societies, where man by nature may have been rebellious, but woman by nature was by no means docile. ○

D.D.

\* Compiled from various talks, particularly those with Mrs Dilitu Zein, Adviser to the President of the Senate and former Head of Women's Status, and Miss Hindou Mint Ainina, an Al Bayane journalist.



## Cooperation with the EEC

### A talk with the Commission Delegate,

### Jean-Michel Pérille



The Courier

► *A fresh political balance was struck in Mauritania in 1992, wasn't it? How do you see it all?*

— First of all, let me say that Mauritania is a country which is divided, or rather which bridges two worlds, two civilisations and two cultures. This is the very essence of the matter and it must be borne in mind in any reading of the country's history. Let me add that I think it is a pity that so little is known about the country and that I hope that you will be able to give a less subjective and therefore truer picture of it in this edition of *The Courier*.

Why was 1992 important? It was important, naturally, because it saw the development of the political move towards democracy.

Everyone recognised the fact that what we called the tenting campaign, the election campaign that is, was the first proper exercise in true and complete freedom. There was constant discussion, open discussion, between the different camps, colourful scenes of excitement with the microphones turned up and the sound on full so you wondered how the muezzin could still be heard calling the people to prayer. As far as the results were concerned, unanimity was no longer the rule, but it would be as well to be careful about bandying the word 'fraud' about. No doubt the actual figures were

not scrupulously correct, but I think I am right in saying that the meaning of the elections was not betrayed. Isn't it what our political commentators call the perks of the outgoing party? But clearly the results rankled and no doubt caused frustration too and this led the opposition to drop out of the process of institutional democracy, just when the potential for a first period of freedom seemed so good.

So the opposition lost its original momentum, seeking new legitimacy after the elections. It was difficult, the path was strewn with obstacles and some people saw it all as a battle within the leadership rather than a quest for legitimacy, but isn't that exactly what always happens with any new period of freedom, with all its excesses and its inadequacies?

However, my view — since that is what you wanted to know — is that Mauritania embarked upon a move towards democracy in 1992, although I am perfectly well aware that there is still a long way to go before we get beyond the institutional concerns and right into the everyday concerns of the man in the street. But the forward movement is now irreversible and all the Mauritaniens must be congratulated for having embarked upon it without the serious excesses that all too many other countries have experienced and are indeed still experiencing.

► *Mauritania has always been an ambiguous place, but it seems to be leaning more and more towards the Arab world now, doesn't it? Am I wrong?*

— Just now I mentioned bridging two worlds and two cultures. Without being a specialist — and how could I be after only a few months in this country, which is as attractive as it is complex? — I can certainly see a move towards the Arab world which is reflected in the importance of what I should call an Arab way of doing things in the daily round, in the street, in life itself. It is not new in itself, of course, but what perhaps is new is its importance and its influence. It is a mode of expression and behaviour which, I agree, represents a strengthening of the historical tendency, the natural tendency I might say, to espouse all things Arab. This is an Islamic Republic and the Islam in this case is as moderate as it is tolerant, although there is no tolerance of deviation. But it is still an Arab Republic, though with a varied ethnic make-up, which is a sure source of human and cultural wealth.

► *They spoke French ten years ago. Now it's Arabic.*

— That does seem to be the case. Independent newspapers, *Eveil Hebdo* for example, have been very critical lately of the gradual but rapid disappearance of

French from the educational system. Yet bilingualism does seem to be a plus point when you have an Arabic language culture and a French-language African culture. It is a major asset — at least, I think it is — and it would be a pity to see it go or at least dwindle to the point of excluding an integral part of the Mauritanian population.

► *Mauritania is an ambiguous country. Isn't it also paradoxical, in some ways?*

— Ambiguity and paradox. That is one way of putting it, which at least has the merit of provoking thought and analysis.

Two important things happened in 1992, as you know. I am referring to the re-opening of relations with Senegal, of course, and the finalisation of the structural adjustment negotiations. Given what was involved, it would be reasonable to expect the first event to have been politically motivated and the second economically motivated. Saying that the opposite was the case is perhaps oversimplifying matters, but I don't think it's wrong. A major political decision was taken, at least that is the way I see it, for major economic reasons and a conventionally economic decision had to be taken for largely political reasons — which of course prompts us to think not so much in terms of straight lines as of interactive complementarity, and that forces us to temper the traditional tendency of our classic political commentators to see things in black and white and to run our analyses in dual and not just primal terms any more.

► *How have your relations with Mauritania in terms of cooperation developed in the course of this ambiguous and paradoxical year?*

— After a long period spent preparing policies and strategies and working on specific cases, our Lomé IV cooperation is beginning to take shape in the field, in transport and health infrastructure. This of course backs up the already well advanced Lomé III schemes (the Gorgol agricultural programme and the road maintenance operation).

It is also worth noting that coordination among both the Member States of the Community and all the funders is having a practical effect too, in food aid, in public health, in road maintenance, in agricultural credit and in the reorganisation of the fisheries sector. This, I

## Lomé IV

Indicative programme signed on 18 April 1991

The Community is to provide Mauritania with a total of ECU 80.5 million, worth roughly UM 8.5 billion, under this programme. It will be divided as follows.

A. ECU 61 million in the form of Commission-managed grants. These are programme resources, to be spent, as a matter of priority, on two focal areas:

- 60% (about ECU 37 million) on basic socio-economic infrastructure (roads, ports and water supply);

- 30% (about ECU 18 million) on rural development schemes (irrigated farming and land development schemes in non-irrigated zones);

- 10% (about ECU 6 million) on schemes outside these two focal areas (mining research, for example, trade promotion, institutional support, the national aspects of regional cooperation schemes and general studies).

B. ECU 8.5 million, a first instalment of the specific Lomé IV funds for the ongoing structural adjustment support, with the idea of cushioning the social effect.

C. ECU 11 million in the form of EIB-managed risk capital. This is a minimum contribution to the financing of projects and programmes in various areas of production (the Government is aiming at mining-SNIM, water and power production and industrial SMEs).

Then there are the extra resources which Mauritania could get over the 1990-95 period in the way of non-programme EDF aid, e.g. Stabex, Sysmin, emergency aid, food aid counterpart funds and other EIB-managed resources.

Since the programme was signed, various dossiers — a mining research project, for example, and a scheme to rehabilitate hospitals in Nouakchott and Aïoun Atrouss — have been finalised.

The work programme in hand is geared to Stabex, fisheries, structural adjustment support and back-up for the Planning Ministry.

A new approach to road maintenance, which cuts through all the red tape, has been set up.

Action in the rural sector could be along two main lines:

- concentrated production schemes to help reach national targets;
- schemes with low technical input which generate know-how models and methods of operation which can be used as points of reference in other regions.

believe, is an essential achievement for funders and Mauritania alike and it is probably a creative basis for the future schemes of all concerned.

► *What are the main areas of Community assistance in this country?*

— Infrastructure, farming, fishing, mining through the SNIM (with the EIB, Stabex and the EDF), health and, of course, support for structural adjustment, something that will be taking practical shape in 1993 and should be a coherent framework for all our schemes, over and above the purely financial aspect.

There is probably no point in listing all our schemes here. I am sure they all appear somewhere in this issue. An important innovation, I believe, is the

appearance of this new frame of reference I have just mentioned, which is a vital means of maximising the effect of our assistance. Of course it demands fresh determination from us and above all from our partners — some people would call it conditionality. I should like us to speak the same language, in fact, with a clear political commitment to working together for the greater well-being of all, without restrictions or reversals. Having said that, our last operation, run mainly by my predecessors, is worth a special mention — the Aïoun el Atrouss water supply system which I had the pleasure of inaugurating recently in the presence of representatives of all the Member States here in Mauritania. I think I can say, without any false modesty, that I had the honour of cutting the ribbon for a major

achievement of unimpeachable technical calibre and undeniable usefulness. My predecessors and my colleagues here today should be thanked for the constant effort they put in every day to bring about such achievements.

► *There seems to be a major discussion about agriculture going on here in Mauritania at the moment. A lot of the people I have spoken to have mentioned it.*

— Going beyond this country's nomadic tradition, which is disappearing slowly but surely, people are tending to settle and the settling process, like the desert, is moving further and further south, towards the banks of the Senegal. This new, heavy pressure is not without its problems and, of course, it is the cornerstone of this debate.

The current approach — taking the idea to its limit — is to have a system of development in which every inhabitant, regardless of his past or his skills, has to be able to work a plot of land, even if that means creating a category of penurious land owners. But the most elementary financial and economic analyses suggest that, today, as things stand, it is better to be a wage-earner than a land owner. So why not think about private land appropriation accompanied by a proper system of paid agricultural employment and review the role of the big rural sector operators — the State and the funders, that is? They could then provide proper back-up, guaranteeing water supplies and credit facilities and research, for example, and the beneficiaries could then develop their know-how and thereby regain the right to take charge of their own future without having everyone involved in their decisions and what they are going to do.

Let me give you just one example of this. Today, Mauritania is making an urgent appeal for food aid when nothing is being grown on almost 50% of its 15 000 hectares of rice development. Some people will say, of course, that crops are behind this year because of the shortage of agricultural credit facilities, but the real problem is the all-too-common one of land ownership, isn't it? The land law of 1983 broke a great deal of particularly new ground, but it has not had that much effect in the field.

To conclude, perhaps too rapidly, it is vital, in agriculture, to allow full rein to a real desire for innovation which takes the realities of the terrain into account. There



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*60% of the Lomé IV indicative programme has been earmarked for basic economic infrastructure such as roads (shown here), ports water supply*

are people who are willing to plough capital into farming. There are others who are capable of running farms in the full meaning of the term. And there are others still who know-how to develop, and those who have a labour force to sell. And of course there are those with know-how in areas parallel to rural production. Those who do not have the capital they need and cannot count on the cooperation of traditional land owners will inevitably have to get into groups.

Development plans based on premisses of this kind will obviously involve other changes in the financing of this sector. In particular, financing could go direct to the farmers themselves or to their representatives, so they could then decide which (public or private) partners they wanted, in their own best interests and, no doubt, in the best interests of the sector as a whole.

Will this put an end to what I once called the three As system — administered, assisted agriculture — and give the people concerned their rights back at last? That is the question.

► *The debate is not just about agriculture, of course. Fisheries seem to be the subject of national discussion too. What can the European Community do here?*

— First of all, let me scotch an old story. It is no longer true, alas, to say that Mauritanian waters are the best stocked in the world. Over-fishing and ill-advised catches have eaten into the reserves, making sensible management of the marine resources a necessity. Add to this — and, once again, you must forgive me for over-simplifying — the fact that, for all sorts of reasons, Mauritania never gets all the returns on the sector and you will realise that what is one of the most promising activities is itself the cause of

major problems in other areas. I am thinking particularly of banking here. Very simply, and no doubt rather too summarily, the question in this sector is how to improve management at every level. We are going to be helping restructure the sector, in particular by means of Stabex 90 and 91 funds worth about ECU 14 million. It would be a good idea, I believe, to concentrate on the type of approach we were talking about just a second ago — helping investment with a system of guarantees and so on, ensuring monitoring and back up and putting responsibility on the shoulders of the people involved. But I don't want to anticipate the results of the major studies due to start in the first quarter of 1993, since these should indeed enlighten us as to the best solutions for the sector.

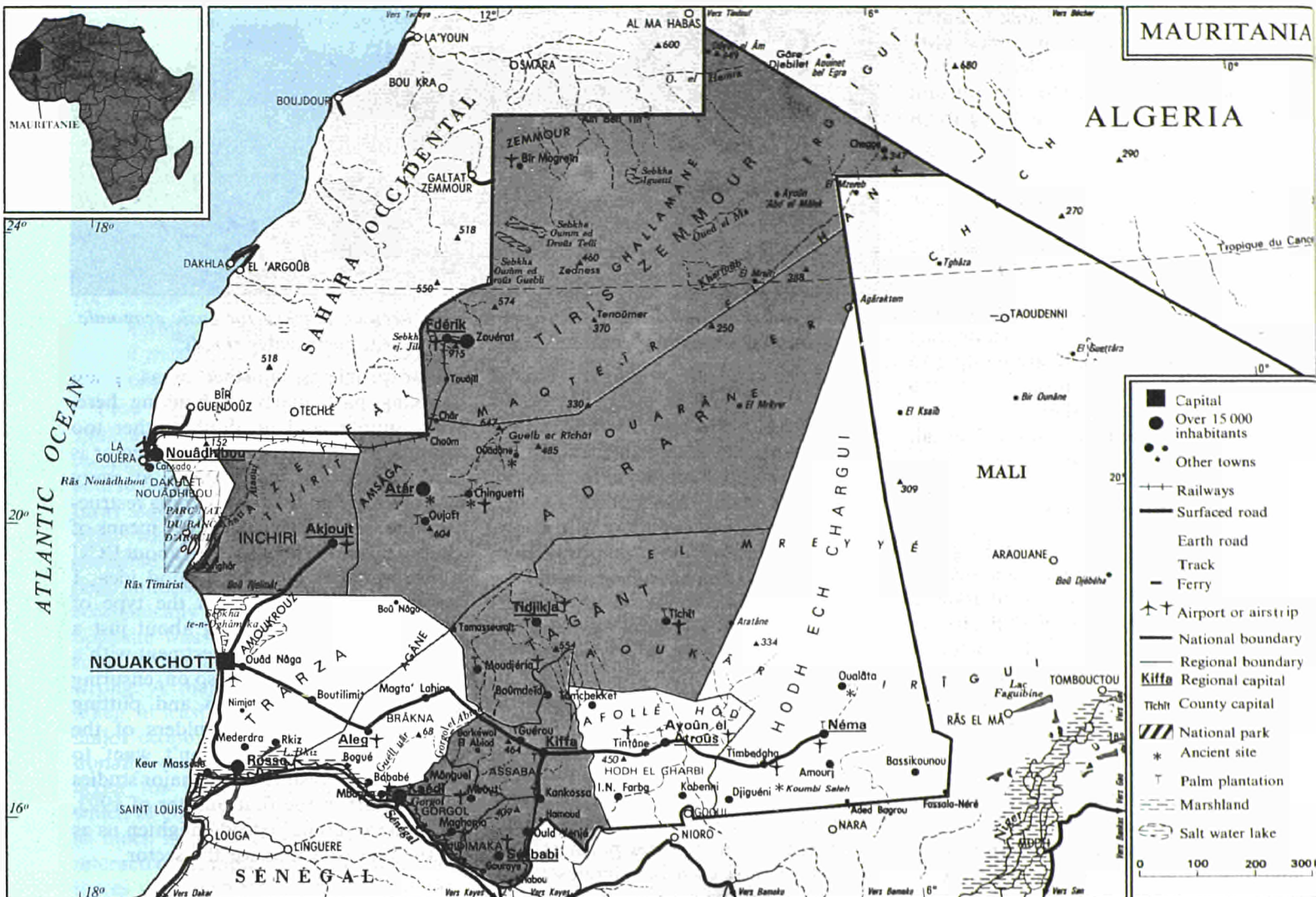
► *Are you happy with what has been done so far — overall, I mean, since we do not have time to go into all the other sectors?*

— It is a shame we cannot look at other sectors where the Community plays a significant part, of course — and I am thinking of roads here, and above all road maintenance, and health and so on, not to forget the structural adjustment drive due to start soon. I am sorry I cannot discuss these in detail. I should just like to convey my general satisfaction with the effort everyone has made to give practical shape to a coherent Community programme which is beneficial to all our Mauritanian partners.

Although it may well be that, at some stages in our cooperation, the political context, and the democratisation process especially, has made it more difficult to find answers, they are all the more fruitful and enriching if you get the chance to experience them on a daily basis.○

Interview by D.D.

# MAURITANIA



## Profile \*

**Area:** 1 025 520 km<sup>2</sup>

**Population:** 2 020 000

**Religion:** Islam

**Official language:** Arabic

**Working languages:** Arabic & French

**Currency:** Ouguiya

**Per capita GNP:** \$490  
**Population density:** 1.8 inhabitants per km<sup>2</sup>

\* Source: UNPD.

**Population spread:**

- 40% urban;
- 48% rural;
- 12% nomadic

**Infant mortality:** 127/1000

**Life expectancy at birth:** 46 years

**Access to clean water:** 66%

**Doctors per inhabitant:** 1/10 000

**School attendance:**

- 70% primary;
- 16% secondary;
- 3% higher

**Adult literacy:**

- 40% men;
- 16% women;
- 28% total

**Debt servicing:** 32% of exports

**Aid per inhabitant:** \$102

**Principal exports:** fisheries products and iron ore

**Principal export markets:** Italy, Spain, France, United Kingdom and Japan

**Infrastructure:**

- 1600 km roads;
- 670 km railways;
- 111 000 Mw/h electricity (other than SNIM)



# APROMA and ACP commodities

## *Reorganisation or reform?*

APROMA, the ACP-EEC market production association, met in the Hôtel Métropole in Brussels on 7-10 December, with Mr M. Manceau, the organisation's Director-General, in the chair.

On the agenda was the reorganisation and marketing of various ACP agricultural commodities. Numerous delegates from ACP producing countries, in Africa especially, attended the meeting, which focused on coffee and cocoa, two products which constitute the bulk of the export commodity markets in the countries invited to attend. Views were exchanged on bananas, groundnuts, cotton and palm nuts, but there were no in-depth discussions on these products, although Senegal's SONACOS-packed groundnuts were often mentioned, above all to point up the fact that this product was a special one as far as the country's economic problems were concerned.

What does reorganising and liberalising the ACP's agricultural commodity industries mean? That was the big question for delegates at the three-and-a-half-day meeting. In his opening speech, Peter Pooley, Deputy Director-General of Development at the Commission, fuelled the discussion on this very basic issue by reminding the meeting of the context in which the ACPs were having to reorganise this sector of their economies. Rationalisation and adjustment in this area was forced on these countries in the mid-1980s by the world price slump and a dwindling dollar, he said, and this had led to a major decline in the price of cocoa (60%), coffee (57%) and tea (31%) in 1980-1990, with the whittling away of export earnings and mounting budget deficits in the countries concerned as the main results.

Something had to be done and the Commission and other donors had helped the ACP States start reorganising these sectors, where veritable monopolies had been established over the years and inefficiency arose from the absence of any alternative private operators. This was what reorganisation was all about.

### **Reform not upheaval**

The discussions began laboriously. Many people were involved and, although they were all concerned with agricultural commodities, they had different and occasionally divergent interests and approaches. Not only did each country have its own idea, interpretation and even specific targets in the reorganisation exercise. Some saw it as a new way of forcing a policy on them from the outside — something which, they maintained, would never solve the commodity problem properly. Most delegates presented their ideas to listening businessmen, dealers whose concerns were obviously too far removed one from another.

The talks did in fact throw up three or four major guidelines or approaches for the ACP commodity sector reorganisation — they dealt basically with coffee and cocoa and very little was said about, say, bananas — and they were described in practical terms, essentially, by Cameroon, Côte d'Ivoire, Kenya and Tanzania.

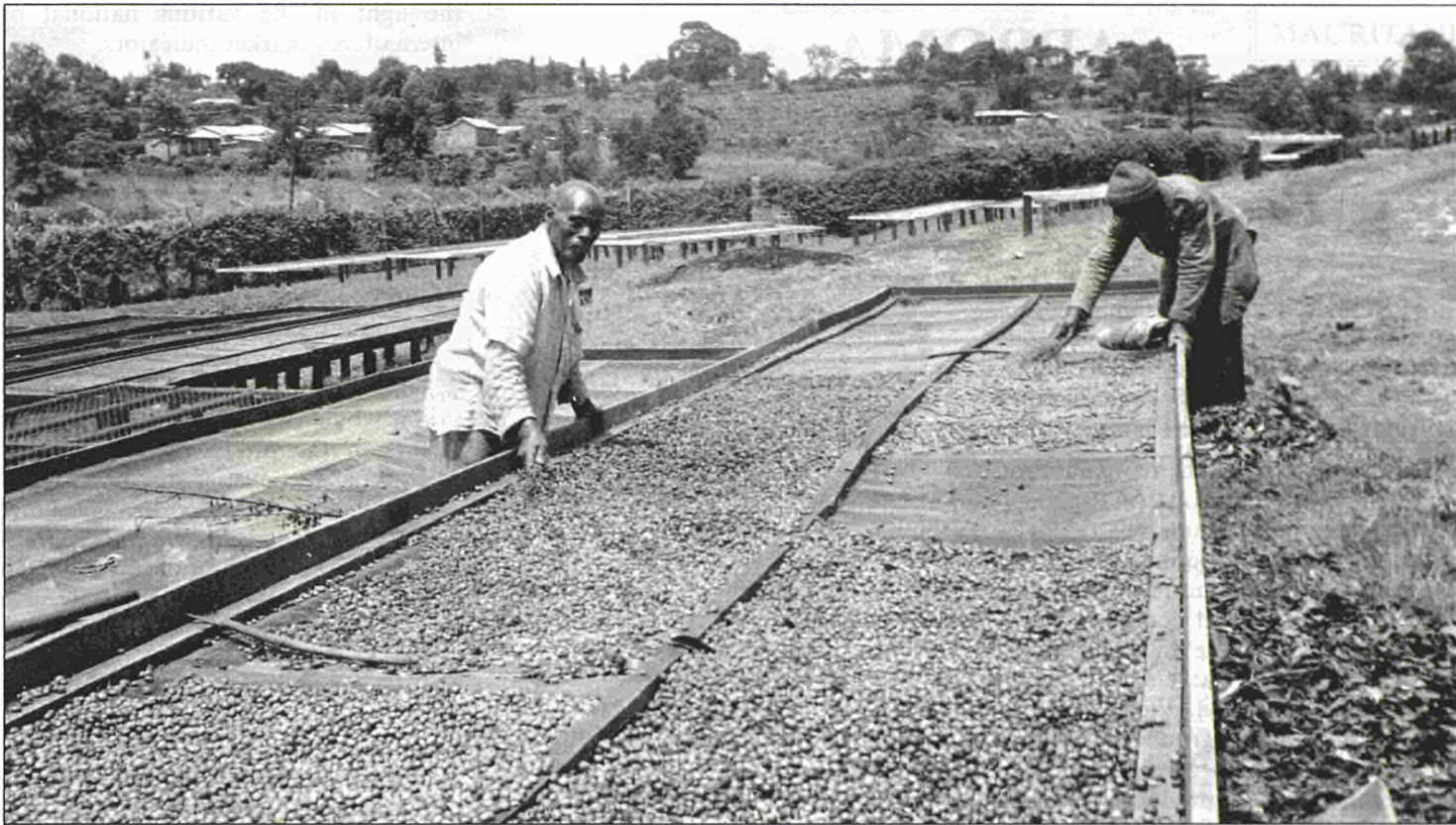
In the latter case, that of Tanzania, there was no new policy in the present context of changing international markets, but affirmation of the country's attachment to the policy of the all-powerful State, Ujaama, whereby the authorities alone are responsible for the industry, from production to collection and marketing, and the peasant producers are simply the agents of that policy. This comes as a surprise from a State, and an ACP one at that, which is losing more and more credibility on the economic management front.

Then came the Kenyan approach, presented with impeccable logic by Simeon R. Onchere of the Coffee Board of Kenya. He said that the job of the State was neither to fix nor to stabilise the prices of products, but to create conditions of free competition in which the best coffee or cocoa price for the producer could be established through periodic harvest auctions, as far as possible in

the light of the various national or international market indicators.

The third big approach was from Côte d'Ivoire. This country has the distinction of being one of the world's leading coffee and cocoa producers whose economy is now on its knees because of the world price slump in these products. What Prosper Kouassi Atsé, technical and administrative head of the CSSPPA (Agricultural price stabilisation and support fund), wanted to know first was whether the funders', proposed reorganisation would really help prop up these sectors in the producing countries or whether it was just a question of reorganising to guarantee the consumer countries their supplies without guaranteeing stable incomes for the exporters. In other words, how much of an incentive was the guaranteed price to the producers supposed to be? This, Mr Kouassi Atsé maintained, was something which most of the funders' suggested reorganisation programmes avoided. So the State had to take steps to protect the peasant producers as far as possible. In Côte d'Ivoire, he said, referring to an idea from Cameroon, the price of coffee (FF 2 per kg) during the last agricultural year had already reached the discouragement threshold and this residual price would not buy more than 10 lumps of sugar next year — the suicide threshold for the Ivorian peasants. The State would not countenance reorganisation of a kind which would wipe out most of its producers — hence the policy of the Government, which was anxious to proceed stage by stage to ensure that the producers' interests were properly catered for throughout the reorganisation process. 'What we want is reform, not upheaval', Mr Kouassi Atsé told the Head of APROMA, pointedly.

He went on to say he was sorry that the discussions had allotted so little time to the conditions of production, emphasising that export prices were meaningless unless they gave the peasant producers what they basically needed to go on producing. He also rejected the idea of sales programmes consisting, as they had heard, of periodically putting fixed quantities of products on the market in the light of trends in prices. Mr Kouassi Atsé further insisted on the importers' manipulation of prices and stressed that this was why it was not really possible to let the market regulate the prices paid to the producers.



Drying coffee in Kenya.

*The job of the State is neither to fix nor to stabilise prices, but to create conditions of free competition*

### Avoiding the discouragement threshold

Last came the first approach to reorganisation, Cameroon's, masterfully presented by Dieudonné Ond Ond and Henri Fankam. What did it consist of? The system proposed by the funders involved 'the planter being the weakest link in the chain' and, production costs being what they were, there would be no more producers in the end, because the world price was too low to enable them to carry on producing, Mr Ond Ond explained. So Cameroon had come up with another system based on what Mr Ond Ond called the discouragement threshold, the idea being to take a price level below which the producer would see no point in working. On this basis, the Government decided that various parameters or economic indicators were required to fix a basic price to the planter whereby he could keep on producing even in the event of world prices declining further.

The second thing about this approach was the actual meaning of liberalisation,

which emerged as State withdrawal from a commodity trade now entirely in the hands of private exporters, who took all the risks. Although these exporters might earn or indeed lose money through competition, they alone bore the economic risks involved, the Cameroonian representative explained.

The fact that the State was withdrawing did not absolve it from regulating competition or defending the basic income policy. So there was still a degree of price stabilisation, based on the annual average of the rates obtaining during the various agricultural years, and it could mean a gain or a loss for the exporters, depending on whether the average price was above or below the indicative price for the season. The idea here, the Cameroonian delegate said, was to put responsibility on the exporters' shoulders and, most important, to reduce the number of civil servants in the system, since they cost far more than was compatible with a policy of rationalising the incompressible expenditure in this sector.

Cameroon also stressed the shortage of financial resources and the fact that banks did not come into the policy of reorganising the ACP commodity sectors.

In conclusion, although the basic idea of reorganising ACP commodities was to make the products competitive on the international market, as Peter Pooley pointed out at the beginning of the meeting, this was not really reflected in what the delegates from the producer countries said. However, the meeting was a useful one and the delegates' exchange of experience helped give a better idea of the real problems of those involved and the difficulty of coming up with answers.

It would still be a good idea if APROMA tried to list the problems in future and base discussion of them on technical documents produced by the various groups invited rather than *ex cathedra* lectures of the sort which prompted the PNG representative to say he was sceptical about the outcome. ○

Lucien PAGNI

# RWANDA

## EEC aid and the challenge of rural development

by Pasquale RAIMONDO \*

After 30 years of sustained and praiseworthy effort, Rwanda is faced with yet more challenges forcing it into constant acceleration of the pace of its twofold, social and economic change.

The structural adjustment programme begun in October 1990 is intended to put the country back on the path to economic growth, controlled inflation and rationalised public finance. An essential corollary to this is a return to the rules of the market and rehabilitation of the private sector.

At almost the same time, the call for proper democratisation of society was sounded loud and clear. With the welcome move to a multiparty system which this implies, the process appears increasingly irreversible.

Agriculture is a vital sector of Rwanda's economy and society and provides a practical illustration of just what the economy as a whole has to do — i.e. get the people to say more (diagnosing the problems) and be more involved (applying solutions).

And as if these problems were not enough, there is war on top of them with the burden of hundreds of thousands of displaced persons and the destruction of the flimsy apparatus of agricultural production.

Lastly — and this is most important — the country's new rural development challenges are an opportunity to put Europe's cooperation methods to the test, to fine-tune the concepts and to consolidate the programmes.

### Agricultural crisis

Rwanda's lasting agricultural crisis began in the mid-1980s, with a basic imbalance involving economic stagnation, demographic growth and agricultural regression. Farm output, increasing at an annual rate of 2%, cannot keep pace with demographic expansion of more than 3.3% p.a. GDP has been declining

by an average of 0.5% p.a. since 1985 and there is no possibility of creating the non-agricultural jobs which would mop up the surplus rural labour force and create economically viable farms.

Agricultural production is hampered by four things.

— There is a problem of space. Farms have been divided up into small areas and there is increasing inequality in the distribution of land. 43% of the country's holdings are smaller than 0.75 ha in area while 16% are bigger than 2 ha. The former account for 15% and the latter 43% of the total land available.

— There is a problem with the fertility of the soil, because of poor inputs of both minerals (2 kg fertiliser per ha p.a.) and organic matter (abandonment of fallow periods, disappearance of pastures and cattle). There is also large-scale erosion (the equivalent of 8000 ha of arable land are lost every year).

— Food production is a problem in terms of both quality (the daily ration of 1893 Kcal contrasts with the norm of 2100 Kcal) and quantity (a cereal shortfall of 200 000 t p.a.).

— Export avenues are blocked, particularly in the coffee industry, where

quality is diminishing (52% standard and 40% ordinary in 1984 down to 2% standard and 95% ordinary in 1989) and quantity shrinking (53 782 t in 1987 down to 33 830 t in 1991).

Lastly, there are two prices to pay for the destruction wrought by the war which began in October 1990 and the effective abandonment of the rural economy when people were forced to flee the trouble zones. There is a food deficit which international aid alone is currently trying to make up and there is the countryside in the 10 communes on the Ugandan frontier to rehabilitate, a job which has to be tackled as soon as possible.

### National agricultural policy

The Rwandese Government is tackling the crisis, with the help of its main external partners, with a new national agricultural policy geared to introducing a market economy in the farm sector. The centralised method of agricultural administration, bolstered by the project-type assistance of the funders, has not been successful in bringing progress to the farms. It is only the initiatives of millions of producers, encouraged by a free and competitive market, which can adapt resources to needs, make use of all the information scattered over the economy, make the most of opportunities and thus promote the rural areas.

This kind of policy involves privatising input supply and product sales, ensuring regional specialisation and increased trade, intensifying production techniques, improving extension, research



Field of sorghum

*The farmers cannot keep pace with the population*

\* Principal administrator and rural development adviser to the EEC Delegation in Rwanda.



*Land of a thousand hills*

and credit systems, reforming land ownership and organising the peasant world into cooperative associations which will ultimately turn into professional agricultural organisations.

### The European contribution

Community assistance for Rwanda's farm sector is both macro- and micro-economic.

**Macro-economic assistance** — This, provided as part of the structural adjustment programme, comes in four main categories.

**General and sectoral import programmes (GIP/SIP)** provide foreign exchange so that intermediate, capital and consumer goods can be imported. The idea is to lighten the external debt, improve the budget balance with counterpart funds accruing from the local sale of the imported products and help reorganise the agricultural economy by channelling some of the counterpart funds into the farm sector. In 1991-1992, Lomé IV SIPs for the agricultural sector were worth ECU 7.7 million.

**Stabex** transfers are intended to make up for lost agricultural export revenue. The effect is achieved by purchasing, with foreign exchange, supplies and equipment to improve the quality, productivity and marketing of the main exports and by reorganising the various industries with counterpart funds accruing from the sale

of the imported goods. Stabex 1990 brought ECU 14 242 630 for coffee, ECU 1 121 000 for tea, ECU 967 433 for hides and skins and ECU 241 109 for pyrethrum. Transfers in 1991 were for three products — ECU 9 184 660 for coffee, ECU 939 227 for hides and skins and ECU 11 269 for pyrethrum.

**Food aid**, of which the Community (along with Canada) provides the largest amounts, has totalled 10 258 t of cereal equivalent, or 24% of total aid, over the past four years. Three quarters of this was emergency and a quarter structural food aid.

**Counterpart funds as budget support** from the EEC were worth RF 986 million in 1992, almost 34% of total aid in this category (from Belgium, Canada, the EEC, Japan and Germany). Worth noting here is the pioneering work of the Kigali Delegation in the coordinated integration of the various contributions, which led to a Protocol between the Rwandese Government and the funders on general principles governing counterpart funds as support for the Rwandese budget, which Rwanda, Germany, Belgium, Canada, the IBRD, the EEC and the UNDP/WFP signed in Kigali on 29 July 1992.

**Micro-economic assistance** — These aid schemes include agricultural development operations and micro-projects. Under the 6th EDF, ECU 51 million was put into the food strategy support programme and its five components (the

national input programme, the Butare prefecture and Zaire-Nile Crest integrated development projects, a training programme and institutional support for the Ministries of Planning and Agriculture). ECU 4.6 million was provided for micro-projects.

The 7th EDF will continue to channel a large part of the national indicative programme into rural development, which, along with transport, is the focus this time. The two sectors will, between them, be receiving ECU 90 million of the total ECU 149.5 million.

### Strengths and weaknesses of the European contribution

**Strengths** — The special thing about the Community assistance is that it is integrated in two ways, vertically and horizontally.

**Vertical integration.** The EDF programme affects all three levels of the agricultural economy — macro-economic (budget balance), sectoral (reorganisation of the various product industries) and micro-economic (agricultural schemes and micro-projects). The Community allocates considerable means for this. In 1990, for example, it was Rwanda's leading donor, with \$37.3 million, followed by France (\$36.7 million), the IDA (\$23.3 million), Germany (\$21.2 million) and Belgium (\$18 million).

**Horizontal integration.** A leading concern of the Delegation very early on was to come to grips with development issues as a whole and to take full account of the complementarity of the different components. The two big parts of the food aid support programme (the DGB and CZN projects) are therefore tackling the three main aspects of the local agricultural economy — i.e. farming, herding and forestry — simultaneously.

The three other parts of the food aid support programme, covering inputs, training and the design and implementation potential of the agricultural policy, add to and strengthen the synergy thus created.

### Innovation

**Area approach.** On 14-16 June 1990, the Community Delegation to Rwanda invited its main partners (Rwandese Ministers and funders) to a seminar at the



Akagera Hotel on guidelines for the programming of the first instalment of Lomé IV funds.

The meeting, intended to take prospective stock of the various schemes in the Rwandese agricultural sector, turned out to be an important step in shaping the national agricultural policy, for it saw the 'area' approach presented by the European side and adopted by everyone involved in Rwanda's rural development. The new concept now clearly showed where the important pools of productivity lay at each stage and highlighted the considerable possibilities which farms and firms had of boosting their creation of added value.

**Decentralisation.** 1993 should see a further opportunity for the Commission to organise a meeting, this time on decentralised cooperation. This new field of discussion will complete the process of involving the people who actually get agricultural development working — the farmers, associations, groups, NGOs, local authority officials etc.

The national authorising officer's full agreement on this major innovation in 7th EDF financing should mean that the seminar can be set up rapidly.

**Evaluation.** An important aspect of EDF schemes is the evaluation process. There have been systematic mid-term reviews and several financial audits of each of the five components of the food strategy support programme and there is also to be a final evaluation (in January 1993 for the CZN and DGB projects).

This procedure, which should be able to be turned into a proper project implementation and monitoring system, will help ensure that the results of past schemes can be fully taken into account in the design and implementation of future projects.

**Duration.** Lomé IV lasts for 10 years (previous Conventions lasted five), so there is a stable framework in which schemes can be planned over a significant period and there are even substantial possibilities of adjustment under Article 266 (2). A new financial protocol is to be negotiated a year before the present protocol runs out (28 February 1995).

### Improvements

**Easing the procedures.** The complexity of the EDF-financed project design and implementation procedures is one of the main impediments to the Fund's efficiency. It is indeed still one of the prime concerns of Commission Vice-President Manuel Marín, who told the last meeting of Delegates on 30 March 1992 that it was 'a weight under which more than one person is groaning'. By late 1989, after two years of implementation, only 15% of the food strategy support programme had been paid over. In the 7th EDF, the Commission has responded to this major bottleneck, which is a source of discouragement to many of the people involved (economic operators, local authorities, technical assistants and their offices etc.). Schemes are now being decentralised and taken into the rural communities, national policy design and implementation potential is being im-

proved, national managers are being trained in Community systems and work is being computerised.

**Improving institutional potential.** Not only is it vital to ease the European procedures. Something also has to be done about the regrettably serious drawbacks of Rwanda's own institutions. So the improvements to the national cooperation programme design, formulation, management and monitoring potential will involve the 7th EDF in providing technical assistance for the Ministries of Planning, Agriculture and Transport, the main ones concerned with the national indicative programme.

**Decentralisation.** The development project was the preferred method of the 5th and 6th EDFs, but the lessons learnt from this have led to a change in approach. First of all, the assistance structure embraced every aspect of rural development, almost to the point of replacing the national administration, and then it was confined to agricultural development as a form of support for local structures. It is still evolving. Now that everybody realises that a centralised economy will never get agriculture going and that farms have to be set up again to do their real job of stimulating development, projects have to give way to decentralised operations offering direct support for the initiatives of the rural communities.

Manuel Marín also had something important to say about this. When he made his speech at the signing of Lomé IV on 15 December 1989, he emphasised the fact that the Convention had been opened to forms of decentralised cooperation which must facilitate greater population involvement in the cooperation schemes and offer a wide range of non-governmental operators the opportunity to include their own initiatives in the general framework of ACP-EEC cooperation.

The same desire for commitment on the part of the rural communities emerged clearly from Jacques Delors' speech to the Senegalese National Assembly on 2 May 1991. 'The humblest must be able to take initiative and shoulder responsibility for their own lives. That is the deep-seated meaning of the spreading of initiative which we are encouraging, and which we must increase, within the framework of our partnership'. ○ P.R.



An agricultural cooperative stores food  
*Developing farming means organising rural cooperative associations*

An Orstom Agricongo project<sup>1</sup>**Babyfood from Brazzaville**

by Olivier LEGROS \* and Serge TRECHE (\*\*)

**Congo needs babyfood of a high standard to reduce protein and energy deficiency, for the infant health situation affects the development potential of the country as a whole.**

Recent surveys in Brazzaville and rural Congo show that 20.5% of the country's children display protein-energy deficiency. Studies of weaning and the nutritional quality of foods given to babies at this stage have shown that the poor nutritional value and misuse of baby cereal — that essential complement to mother's milk at four or five months — have a great deal to do with this.

Babies being weaned are fed gruel of low nutritional value for a number of reasons:

— mothers have far too much to do in the fields or informal trade and are prevented from spending time preparing gruel and feeding it to their babies.

— most households have very small budgets and cannot afford high/quality babyfoods if they cost a lot.

— mothers may have bad eating habits and be poorly informed and both start and stop giving gruel to their babies too early on.

— local products which can be turned (without processing or mixing) into proper babyfood for the weaning period are in short supply.

At the moment, most Congolese mothers give their babies gruel made from fermented maize paste (poto-poto) which they buy, almost exclusively, in the shops (see table 1). It is nutritionally well below the international organisations' recommended standards. The others give their babies cassava porridge (which is even



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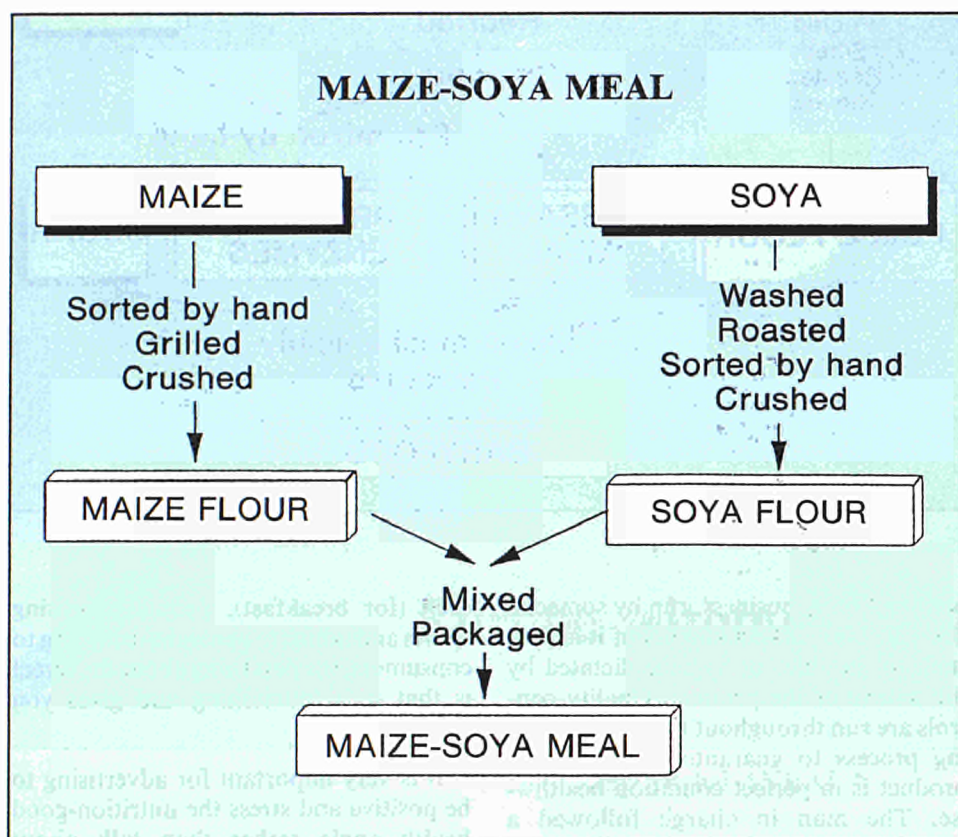
<sup>1</sup> The research behind this project was financed by the Commission of the European Communities as part of the science and technology for development programme STD2 — Improvements to the quality of cassava-based fermented foods).

\* Agro-economist, Agricongo, BP 14574, Brazzaville, Congo.

(\*\*) Nutrition expert, Orstom, BP 181, Brazzaville, Congo.

**Table 1: Different types of gruel fed to babies in Congo**

| Main ingredient   | Rural areas | Brazzaville |
|-------------------|-------------|-------------|
| Poto-poto (maize) | 47%         | 78%         |
| Cassava           | 22%         | 1%          |
| Imported flour    | 11%         | 19%         |
| Other             | 19%         | 2%          |

**MAIZE-SOYA MEAL**

less good), imported baby cereal often prepared without reference to the manufacturer's instructions or gruel made from other types of local product which are of higher nutritional value but very time-consuming to prepare and with other nutritional drawbacks.

Agricongo, an institute which supports agricultural development in the tropics, felt that alternatives were required.

#### **A balanced composite cereal produced from maize and soya**

The above findings were the basis for Agricongo's decision to investigate the conditions of viability of a babyfood workshop producing a mixed grain-pulse cereal of the sort made in factories

elsewhere in Africa (the Misola project in Burkina Faso, for example, the Centre Ouando in Benin and the Musalac project in Burundi) and the pilot unit of a mother and child welfare centre in Brazzaville.

Right from the start, the focus was on using local technology and products so as to stimulate and capitalise on the country's farm output and encourage local skills in the craft and agri-food sectors.

An analysis of the cultural and economic constraints, an inevitable precursor of any undertaking of this kind, revealed that:

- the use of poto-poto was a deep-seated practice, suggesting that resistance to change could well be strong;
- household incomes were low and getting lower;

— supplies of agricultural raw materials were unreliable.

It was decided to cope with this, first of all, by using maize flour as the main source of energy so as to keep the taste similar to the usual gruel and by designing a system which kept manufacturing costs down at all stages. Soya was to provide the protein input, since sound agricultural results had been obtained with this crop in Congo.

Simple production machinery was designed: a sorting bench to clean the grains, an oven to grill them and a drum mixer to homogenise the meal. For economic and technical reasons, the crusher and the heat sealer had to be imported. Since the product is heated in the course of processing, it is microbiologically sound and the inclusion of soya ensures that the protein content is satisfactory. Polyethylene packaging keeps the cereal fresh for three months, which is reasonable.

The workshop, which has three staff (including the head), turns out 1 tonne of cereal — sold in 100g and 500g packs through a network of small food shops — every month. Once the costs and the staff have been paid, the man in charge is left with a profit of between CFAF 100 000 and CFAF 150 000 per month. As planned, full responsibility is on his shoulders and everything has been designed to ensure that, thanks to proper management training, he is in control.

The cereal was a success from the word go, but, with advancing research and recommendations from nutrition specialists at Orstom and the Ministry of Health, a second project has been designed.

#### **Research and discussion with the health services make their mark**

Research teams have shown that all over the world the energy density of gruel used in the weaning process will be too low if it is made from local products containing unprocessed starch, regardless of whether the source of energy is grains or tubers. Starch, the main source of energy in cereal- and tuber-based meals, swells during the cooking process by taking in large quantities of water. The mother has two choices. She can either restrict the amount of water and obtain

too thick a gruel (particularly unsuitable for younger babies) or she can add enough water for an acceptable consistency, making the percentage of meal to water, and therefore the energy density, too low. Since the baby's stomach capacity is small, gruel made in this way will fill him up without providing much in the way of food value. And since babies tend to be fed only a few times per day, this gruel is not an adequate supplement to the mother's milk.

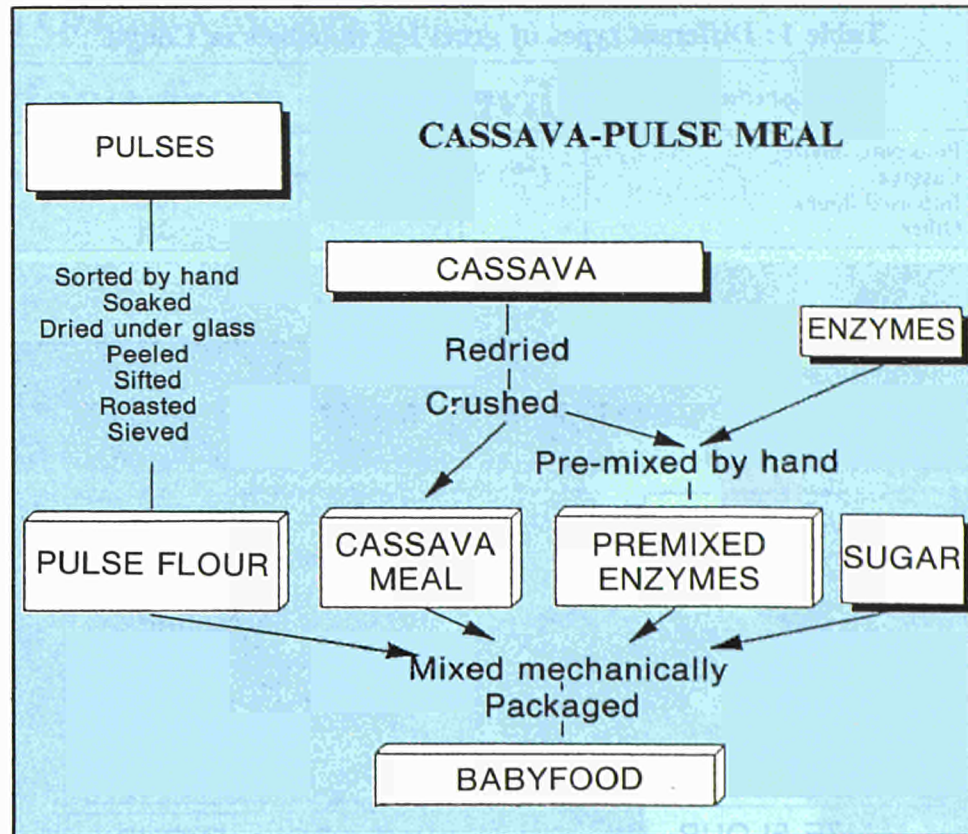
The food and Nutrition Study Laboratory at the Orstom centre in Brazzaville joined Congolese researchers at the DGRST and the Faculty of Science to look for an answer to the energy density problem, investigating the conditions of utilisation of enzymes produced on a large scale by the European food and agriculture industry. Enzymes break down starch chains into smaller pieces, which restricts swelling during the cooking process and gives the gruel the right consistency and energy density. Projects in India and Eastern Africa have already suggested using amylase, but selected enzymes of vegetable origin (germinated cereals) are complicated to prepare and this restricts their use. Industrially purified enzymes have the advantage of being easy to use (they work while the mother is boiling the flour in the water) and costing very little to produce (less than 1% of the cost of the gruel).

This induced the Orstom-Agricongo plan to manufacture babyfood for the weaning period, an idea which the two organisations presented at a seminar at the WHO regional office in Brazzaville in May 1991, when gruel for babies being weaned was up for discussion.

#### Researchers and developers collaborate closely on the Orstom-Agricongo project

The originality of the project lies, first of all, in the incorporation of tiny quantities of amylase in the flour to boost the energy density of the gruel. Secondly, the main energy source is cassava meal, the cheapest and most easily available local product. Processed pulse seeds (27% soya or 38% beans) provide sufficient protein and essential amino acids and the 8% sugar makes it palatable. It is cheap to produce and costs less than the traditional product.

A pilot workshop has opened up on the Agricongo experimental station. It is a



private, family business, run by someone keen both to make a success of it and to stick to the rules of hygiene dictated by the nature of the product. Quality controls are run throughout the manufacturing process to guarantee that the end product is in perfect condition healthwise. The man in charge followed a complete course in health and technology, stock and supply management and commercial and financial management on the Agricongo station. With the same size of staff as the maize-soya project, he can get similar results, producing up to 2 t per month.

This is a very promising cereal which, if developed, could help reduce protein and energy deficiency in young children. It is also an interesting outlet for the country's producers and could give a boost to local agriculture.

Ongoing commercial studies should come up with a name, an image and a distribution network aimed straight at the target population — mothers. Sales experience with the first cereal (maize-soya) suggests that it would be wrong to confine the product to babies who are being weaned. Indeed, a customer survey shows that it is also eaten by schoolchil-

dren (for breakfast), people practising sports and adults in general. According to consumers, the best thing about the cereal is that it is 'nourishing and gives you energy'.

It is very important for advertising to be positive and stress the nutrition-good health angle rather than talk about combating malnutrition. This cereal is not for the malnourished. It is for all those who want to grow or just feel good, so it should not just be distributed to health centres, but to ordinary food outlets too.

#### The future

More workshops could be envisaged at the request of young businessmen in the light of experience gained in the running of this project and the results it produces.

Orstom is also looking at the possibility of varying the formula according to what raw materials are available. Soya could be replaced by beans or groundnuts, for example, and some of the cassava meal by maize or rice flour. ○

O.L. & S.T



# 1 JANUARY 1993

DOUANE  
ZOLL

## Europe without frontiers

by Michel AYRAL \*

Only a few days ago, on 1 January, the Community achieved one of its most ambitious political aims, a frontier-free area in which people, goods, capital and services could move about freely, when, in accordance with Article 8a of the Treaty, all controls and formalities on borders inside the Community disappeared.

What does it mean? It is important to make clear that there is more to completion of the single market than doing away with border controls — something which was only possible on 1 January because of the huge effort put into harmonising legal and administrative systems to ensure that the opening of the internal frontiers did not detract from the security of the citizen.

It was back in 1985 that the Community, armed with a programme and a precise timetable, committed itself to working towards this goal. Never since the Treaty of Rome in 1957 had Europe set itself such an ambitious target, for this time it was not just a question of its historical heritage or of the symbols of a sovereignty undermined by international competition, but of a bureaucratic means of managing national policies.

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The Single European Act provided new decision-making machinery for this policy and what were important back-up policies for some Member States, either for environmental protection or economic cohesion or to boost research capacities.

Over the past eight years, the Community has basically altered the economic environment for its businesses by simplifying it and improving the development potential. The changes are perhaps not clearly perceptible as yet because they have not all come into being and their effects are in any case only gradual. However, almost 95% of the 1985 programme has been adopted and 76% of the measures adopted are already in effect.

### Working for the internal market — an ongoing process

The programme was phased in as the basic problems were solved.

— First of all, the *harmonisation of technical rules* made it possible to get the programme going. It was initially confined to limited, specific issues, such as the noise made by plant, and then spread to the fields of machinery, construction products, various kinds of medical apparatus, food products and pharmaceuticals. Standardisation was then developed on this basis.

— The *opening up of public contracts* (one of the focal and most sensitive points of the white paper programme) began in 1988 with improvements to a previous GATT implementing directive on public supply contracts and was then extended to works contracts signed by the authorities. In 1990, the rules of transparency were extended to works and supply contracts in public services and telecommunications, energy, transport and water supply and, two years later, to services contracts. As this progressed, decentralised rules were introduced alongside to ensure that these directives were adhered to, technical and standardisation rules were further harmonised and, lastly, the block on the work on services was removed.

— The *liberalisation of services* was harder going and it was not in fact until the directive liberating capital movements was adopted in July 1988 that the work began to cover other areas, particularly financial services. This 1988 directive removed the barrier to the work on insider dealing, the banking passport and then the provision of insurance services (the last decision was taken only recently). Alongside all this, the work on the opening up of the services market and telecommunication terminals and the provision of television services was finalised. Liberalisation in the transport sector began with the first phase of liberalisation of air services in 1986, with subsequent phases in 1990 and 1992, but marked time in other areas until 1988 (haulage) and 1992 (road, river and maritime passenger transport).

— The *general recognition of educational qualifications* — whereby members of any profession can set up and offer their services, regardless of the level of their particular diploma — was achieved after finalisation of the work by professional category and particularly for architects and hairdressers in 1984-85. The right of establishment will also be facilitated by the general recognition of the right of abode for citizens of the Community.

— The *abolition of border controls* was the slowest thing to get under way, possibly because evidence of determination to make progress was called for in other areas first. The situation was helped by progress in the various areas of customs, tax, veterinary matters and plant health control. But it was not until

1989 and the decision to lift border controls on means of transport that it was possible to start the process which led to the abrogation (1990) of customs documents as from 1 January 1993, the reorganisation of veterinary control, the introduction (1991-92) of new VAT and excise systems based on an overhaul of VAT collection in intra-Community trade and the harmonisation of the rates and structures of indirect taxation. These were the measures which made it possible to do away with border goods controls on 1 January this year.

— However, *the abolition of identity checks at borders* was very slow, partly because work got under way late in the day, partly because of the intergovernmental method, which had no institutional momentum behind it and involved cumbersome ratification procedures, and, lastly partly because of disagreement about the whole idea of the abolition of border checks. As the United Kingdom (and to a lesser extent Denmark and Ireland) saw it, it was only border checks on Community nationals which could go — which meant not only laying on separate channels, but checking that everyone in the Community channel was actually entitled to be there.

Most of the measures, particularly those relating to health and safety protection in respect of industrial, food and agricultural products, are already in force. The Community's job in this field is not done, of course, because free movement will itself highlight any need for further harmonisation. Above all, the Commission, as guardian of the Treaty, must predict the emergence of new barriers to trade. The only consistent area of Community legislation to come into effect on 1 January, in fact, is the abolition of border controls on goods, i.e. VAT and excise measures, the reorganisation of veterinary controls with recognition of the certificate issued in the country of origin and the reorganisation of the collection of intra-Community trade statistics. For the rest, 1 January signified the continuation of single market measures and marked the date when important pieces of the jigsaw puzzle were put in place:

— additional harmonisation directives on machinery, medical facilities, motor-vehicle type-approval and drug marketing rules;

— the opening up of public supply and works contracts in telecommunications, energy, transport and water supply;

— the free supply and establishment of banking services with a single licence;

— harmonisation of the law on trade marks and legal protection for computer programmes.

The Council itself is continuing its work, in particular to perfect the framework set up so far, for the rules obviously have to be clearer and more transparent. And one or two of the proposals from the white paper programme will stay. Before Christmas, 95% of the provisions had been adopted, so there were 5% left to adopt and this was what the Community institutions were working on. They were not essential either for suppressing border controls or for ensuring the economic and industrial effects of the single market, but they were important nonetheless. This is why everyone did their utmost to see that the relevant decisions — on the creation of a Community trademark statute and of a European company statute and the abolition of double taxation on businesses — could be taken before the end of the year.

### Eliminating physical border checks

The economic framework of the single European market can reasonably be said to have been set up, but we are by no means sure of achieving the political aim of suppressing border controls. Why? Important steps were taken to ensure that customs, tax and statistical border formalities could go on 1 January and there was large-scale harmonisation to ensure that animal, plant and human life would be protected. The words import and export will disappear from intra-Community trade. But there is still some uncertainty.

— Frontiers are used for the management of some specific national systems, each of which is legitimate, although they are not all of the same importance in all Member States. Frontiers make it possible, for example, to enforce rules governing the export of arms and cultural products and the abolition of border controls must not be allowed to create gaps in which black markets can operate. Frontiers are also used for the management of the system of monetary compensatory amounts, which are the trade-off for the Community's lack of monetary

cohesion and have to be changed. Some Member States use frontiers to protect public morality by banning imports of certain books and tapes (examples of this are Madonna's book in Europe recently and the memoirs of a former British spy in the United Kingdom a few years back) and contraceptives. Do we want to see the Community harmonise in these areas? That is neither the aim nor the intention. The Member States have to have confidence in each other and do a more efficient job of controlling their own markets.

— Member States have to implement Community directives. This is the precondition for mutual trust between them, which is why the Commission monitors the situation constantly. It is not just a formal problem of transposition. It is also one of adapting the administrative structure in each of the Member States. Transactions between businesses in different Member States will no longer be subject to the same tax controls as before and the authorities responsible must be prepared for this. The recognition of veterinary certificates is now the job of the inspection and monitoring bodies in the Member States of origin or the country of importation, so these bodies have to be equipped for their new duties. Things moved satisfactorily here, as more than 80% of the transposition measures had been taken by mid-December.

Lastly, people must be able to cross borders freely. They will no longer be subject to tax or customs controls, that much is obvious, but police checks have got to go too. Considerable progress has been made with harmonising immigration and visa policies and police cooperation, but, in the Community, there is no legal enactment to base it on, since the Dublin convention on the procedures for applying for asylum is not yet in force and Spain and the United Kingdom are still holding up the convention on external frontier management. However, the Schengen Agreement, which combines nine Member States (all of them bar the United Kingdom, Denmark and Ireland), will certainly do away with these controls. But the UK, with Ireland and Denmark in its wake, declines to accept the principle of the abolition of border controls on individuals, because that would mean free access for third-country nationals from other Member States.

The work on the abolition of physical checks at borders, on individuals and goods alike, focuses on three things.

1. *Making national rules compatible* with the abolition of checks. The idea here, which is to ensure that security will not be threatened or contraband and fraud encouraged if the controls are removed, has been approached in two ways.

— Member States have, of their own accord, 'cleaned up' their regulations and administration, shifting border controls to the national market, in the same way as for national products, or to the external frontiers of the Community. So, technical border controls on pharmaceuticals and foodstuffs have been done away with, for example, as have strategic controls on homing pigeons and health controls on absinthe and Indian berries (!).

— Member States have set up systems of control based on harmonised rules. The most obvious case here is veterinary and plant-health control, which is now based on recognition of the certificate issued in the country of origin (more than 80 rules and regulations have been adopted here). And 1 January also saw the beginning of a new system of VAT declaration and control of products subject to excise duties. VAT declarations will now be made periodically and products subject to excise duty will move freely between authorised warehouses. As a result, individuals are now free to buy something in one Member State, pay tax on it there and transport it, for their personal use, to another Member State. New motor vehicles are the only exception, as VAT still has to be paid in the country of registration.

Other provisions on the carrying of personal weapons, drugs, radioactive substances, explosives and cultural goods will be coming into effect in 1993 to ensure that the public interest is protected.

2. *Organising cooperation between the administrations.*

All provisions made with a view to abolishing border controls mean greater cooperation by the various authorities, which have to swap the relevant information, particularly as required to run checks. On 1 January, such systems of cooperation came into effect for veterinary matters (the SHIFT and ANIMO networks), plant health (PHYSAN),

VAT (SITE) and excise (SID), intra-Community trade statistics, personal weapons and dangerous substances. They also came in, in anticipation of the legal provisions, for cultural goods, dual use products, explosives and radioactive substances. The Commission has also set up a high-level group to keep watch on the operation of Community rules and free movement more generally.

Many systems of cooperation are being set up to keep check on the free movement of individuals. CELA, for example, deals with drug control and there is EUROPOL (police cooperation), TREVI (terrorism) and an immigration group. However, these systems are not yet working fully, owing to delays in concluding the external frontier agreement and setting up the European information system between the police authorities. The greatest headway with this area of cooperation has been made under Schengen, because, quite apart from the ongoing ratification of an additional agreement on abolishing controls on individuals, by June this year the Schengen States will have the information system that will make police cooperation a reality.

With goods as well as individuals, free movement inside the Community means proper coordination of the management of its external borders.

As far as *goods* are concerned, the adoption of the customs code guarantees the existence of common customs rules. These rules are supplemented by specific provisions on the export control of cultural goods and strategic products and the import control of veterinary matters, plant health and product conformity. Not all these specific rules came into effect on 1 January, which is why the administrative cooperation measures had to be anticipated.

When it comes to *individuals*, the problem, conceptually, is the same. Member States have to cooperate on asylum, visas and immigration to enable individuals to cross borders freely. Here too, work started, with a precise programme, in 1989, but there have been hold-ups in the Community. The agreement on applications for asylum has not taken effect because the only Member States to have ratified it are Luxembourg, Denmark and the United Kingdom, while the external frontiers agreement has not been signed because the United

Kingdom and Spain fail to agree on how Gibraltar is to be handled. It is clear to everyone, Schengen States included, that freedom for individuals in the Community does not mean opening the doors to immigrants. But the Schengen States believe that they have enough confidence in each other's ability to manage the external frontiers jointly. At all events, the Member States are still free to apply their own rules of residences to nationals of third countries and nationals of third countries will only be able to enter one Member State from another as tourists — for whom there is no question of asylum or residence.

### How the internal market works

The abolition of border controls is based on trust. Border controls developed with the twofold aim of ensuring respect for national rules and organising the campaign against fraud and illegal trafficking.

Thanks to the harmonisation and convergence of national rules and the principle of mutual recognition, border controls no longer have any part to play in ensuring compliance with national rules. The crossing of a frontier no longer gives rise to checks, since, on the face of it, there is no reason to believe that the product or the service in question infringes the law of the host country.

If this confidence is not to be misplaced, the Commission and the Member States must meet their obligations and shoulder their responsibilities fully. The Sutherland report, presented to the Commission in October (the Commission has said how it intends to follow it up), states what the responsibilities are at each level if the single market is to operate as effectively as possible.

— The Member States must cooperate with each other fully, providing such assistance as is required for the proper application of, and setting up management systems for, the Community rules. The past two years have seen the degree of transposition or application of the rules follow a constantly upward curve and currently 78% of the Community's rules and regulations are being applied. Delays in some Member States and some fields are still far too long, however. Above all, the Member States have to abide by the Treaty and act in the interest of the

Community when they control or authorise a product or an activity, because that product or activity could well find its way onto any of the other markets in the Community.

— The Commission itself has to be a proper guardian of the Treaty, in order to foster trust between the Member States. Independently of any question of jurisdiction, the job of the Commission must be to guarantee cooperation between the Member States. A new piece of cooperation machinery to enable all Member States to help monitor the working of the internal market therefore saw the light of day on 1 January.



So, as from 1 January, the Community market is a domestic market for businessmen in the Community and an export market for its trading partners. In it, Community businessmen will find the basis for a new kind of competitiveness on international markets — and new challenges due to the generally demanding nature of the rules adopted to ensure proper health and safety protection and fairness in commercial dealings. It is clear that the technical rules as they emerge from the Community decision-making process entail stricter protection measures than those currently existing at national level, particularly when it comes to the environment. The new demands will of course apply to imported products, but there will be no proliferation of border formalities and — and this is most important — none of the uncertainty attendant on the application of Article 115. The Commission made it clear that Article 115 authorisations were to go on 1 January and so, by December, there were only two restrictions on bananas,

motor-vehicles and motorcycles left. Other restrictions, on, particularly, textiles and footwear, were dropped in July of last year. All this means that the European market is more open to competition from third countries, but that there are greater demands when it comes to the trade-offs resulting from this openness.

The European Council in Edinburgh recognised that there was still an effort to be made as far as the free movement of individuals was concerned, but confirmed that border controls would end on 1 January. But the slightest problem may affect the achievement of this goal, as political and administrative systems cannot just be made to have confidence in each other. Confidence has to be built and it will take firm political determination in the coming months if there is to be no going backwards. What is surprising about that? Never in contemporary history have States managed to do away with their historical frontiers, which are fused with cultural frontiers too. Germany, where unification has wiped out the frontier which divided it, is experiencing just this sort of difficulty. However, if I may make a comparison, the abolition of Community borders is both easier and more difficult to achieve than that — easier because it has been under way since 1958 and because the economic situation of the various Member States is convergent, and more difficult because it goes against the whole history of the continent of Europe since the end of the 18th century.

This is why it is both important and essential that the building of a frontier-free Europe should take place in a context of political and monetary integration. That is the momentum which will make it possible to strengthen the ties that bind the Member States. Let us have no illusion about all the rules and regulations that the Community has set itself being enough to hold the edifice together. September's monetary crisis showed that the directive on the liberalisation of capital movements counted for little in the face of financial constraints. What will the VAT and excise harmonisation measures be worth if budget deficits dictate higher tax revenue? The Treaty of Maastricht gives us the momentum we need here and is thus a guarantee that the process of economic integration will continue. ○ M.A.



# Eurobarometer charts latest trends in public opinion

## *Attitudes to the Community and European Union*

On 13 November, the Commission issued the first results of its latest Eurobarometer survey. This was carried out at a time when the process of ratifying the Maastricht Treaty was coming under increasing public scrutiny within the Community.

Eurobarometer's four standard indicators of support for European unification and the Community show that:

— 73% of those polled are in favour of efforts being made to unify Western Europe (19% against);

— 60% believe that their country's membership of the Community is a good thing (23% are neutral on this and 12% regard it as a bad thing);

— 49% think that their country benefits from Community membership (34% disagree);

— 44% say that they would be very sorry if they were told the Community were to be scrapped (34% are indifferent and 12% would be very relieved).

It is clear from these figures that supporters of the European venture decisively outweigh opponents in the Community as a whole, but there has been a decline in positive responses, averaging three to five points, since the same questions were posed in a survey in the spring of 1992. The largest falls were recorded in the United Kingdom and in the eastern part of Germany. Interestingly, Denmark bucked the trend on all

four indicators (although presumably from a somewhat lower base of positive support).

With the Maastricht debate in full swing, European decisionmakers will doubtless be paying particular attention to the views of their voters on this issue. In the ten countries which expressed an intention to ratify by the time the Treaty was due to enter into force (1 January 1993), the poll suggests that the politicians are in step with their electorates. Support for the Treaty among those who expressed a view runs at 80% or more in Italy, Belgium and Portugal. Decisive majorities in favour are also recorded in Greece, the Netherlands, Luxembourg, Ireland and Spain. In Germany, supporters also comfortably outnumber opponents (by 59% to 41%) while in France the survey reveals a somewhat higher level of support than that recorded in the referendum which delivered such a narrow victory to the 'Yes' camp. It is important to recognise that these figures exclude substantial numbers of undecided interviewees (up to 50% of the total in the case of Spain).

Of course, the Treaty must be ratified by all the signatories if it is to come into force in its present form and, unfortunately for its supporters, two Member States pose a problem. In Denmark, opinion is relatively evenly divided but the anti-Maastricht camp is still ahead

(47% in favour, 53% against), suggesting that there has been little movement since that country's referendum earlier in the year. In the United Kingdom, the Treaty is opposed by 62% of those who express a view, despite the fact that less than a year ago the Maastricht negotiations were portrayed as a 'triumph' for Britain in the local media.

Although it is in the United Kingdom that public opinion diverges most strongly from the European average, the fate of the Treaty appears now to depend on what happens in Denmark. There is little enthusiasm among other Member States for negotiations to be reopened but it is difficult to see how Denmark can be brought 'back on board' without some substantive changes. The UK Government does not plan to hold a referendum in Britain but now says that it intends to proceed to ratification in the first half of 1993 after a Danish referendum clarifies the situation. Denmark, however, has not yet fixed a date for its second vote on Maastricht and this may not take place until the autumn of 1993.

It now appears that the Treaty on European Union will not enter into force on 1 January 1993 as originally envisaged. What is not clear is whether the hurdles to its ratification will prove insuperable or whether the process has merely been delayed. ○

**Support for the Treaty of Union  
in Community Member States**  
(% of those who expressed an opinion)

|                |     |
|----------------|-----|
| Italy          | 85% |
| Belgium        | 85% |
| Portugal       | 80% |
| Greece         | 79% |
| Netherlands    | 78% |
| Luxembourg     | 72% |
| Ireland        | 70% |
| Spain          | 68% |
| Germany        | 59% |
| France         | 54% |
| Denmark        | 47% |
| United Kingdom | 38% |

## The Maastricht Treaty

In addition to the basic question about whether they supported Maastricht, interviewees were asked a number of other questions about the Treaty which resulted in the following findings

- Irrespective of whether they are for or against the Treaty;
- 46% believed it would have a positive effect, 27% a negative effect and 6% no effect, **on their country**;
- 59% believed it would have a positive effect, 13% a negative effect and 6% no effect, **on the European Community**;
- 27% believed it would have a positive influence, 17% a negative influence and 31% no influence, **on their own lives**.

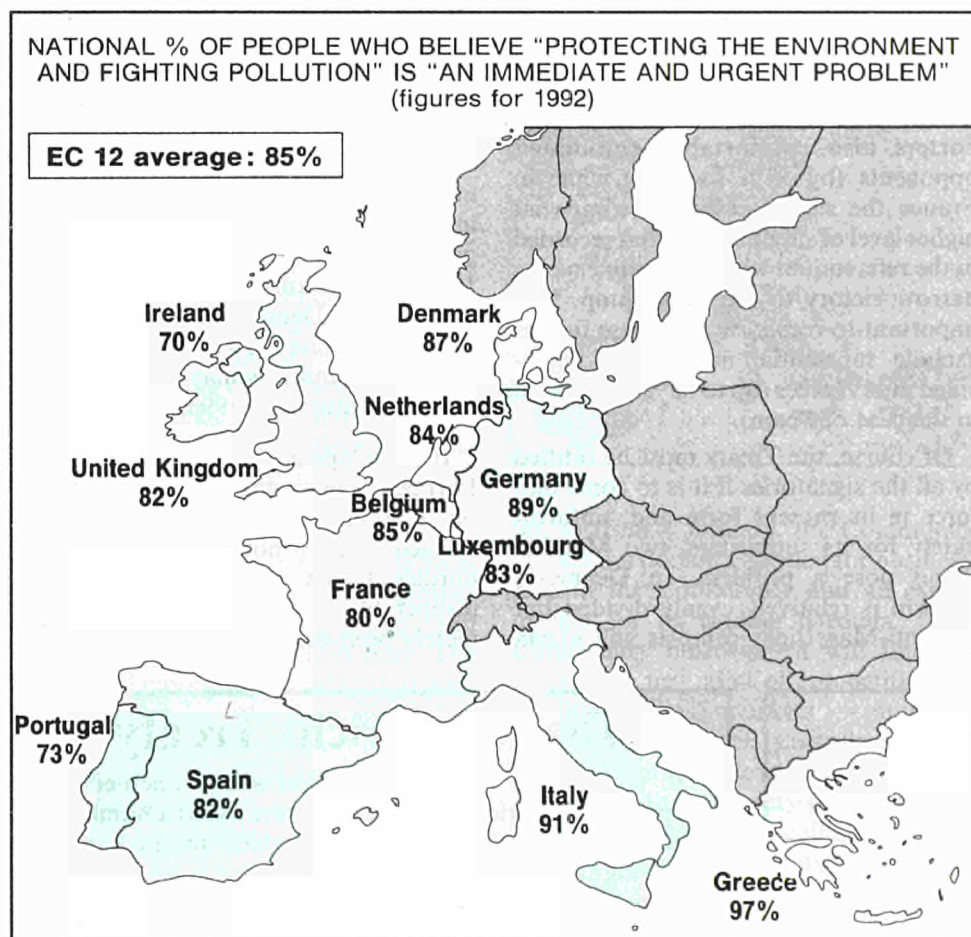
While 85% of EC citizens now say they have heard of the Maastricht Treaty, reflecting the intensity of the public debate, only 19% claimed to know a great deal or a fair amount about it. 75% admitted to little or no knowledge of the Treaty.

## Poll highlights environmental concerns

In the spring of 1992, Eurobarometer also carried out an opinion poll which was designed to provide a better understanding of the way Europeans perceive environmental problems. The poll, which was requested by the Environment Directorate-General of the Commission, continues a series of such surveys which have been conducted at regular intervals since 1982. Representative samples of citizens in all twelve Member States were questioned and we present here some of the more significant findings.<sup>1</sup>

In response to the basic question about concern for the environment, 85% of respondents agreed with the proposition that 'protecting the environment and fighting pollution' is 'an immediate and urgent problem'. This represents an 11% increase since the question was posed in the 1988 survey. Of the remainder, 11% believed that it was 'more a problem for the future' while only 2% said that it is 'not really a problem'.

Concern was at its highest in Greece, where 97% of interviewees regarded the issue as immediate and urgent. The lowest figure in support of this proposition was recorded in Ireland (70%).



### The economy and the environment

Of course, in terms of future policy-making, the guidance provided by the answer to a single, focused question on

<sup>1</sup> The charts accompanying this article are reproduced from a brochure published by the Directorate-General for the Environment, Nuclear Safety and Civil Protection of the EC Commission which highlights some of the key results of the Eurobarometer survey.

the environment is of limited usefulness. The political potency of environmental fears can only be measured by reference to public attitudes in other policy spheres which have a direct ecological impact. It is *economic development* which, in Europe and elsewhere, underpins the standard of living of the population and it is, therefore, appropriate to test respondents' views about the potential conflict between such development and the protec-

tion of the environment. The way in which this was tackled in the poll was by presenting interviewees with three statements and asking them to say which came closest to their own views.

These were:

- economic development should come before the environment;
- economic development must be ensured but the environment must be protected at the same time;
- the environment should come before the economy.

It is not entirely surprising to discover that the bulk of those questioned (69%) opted for the second statement. 22% put the environment first while 4% gave priority to the economy.

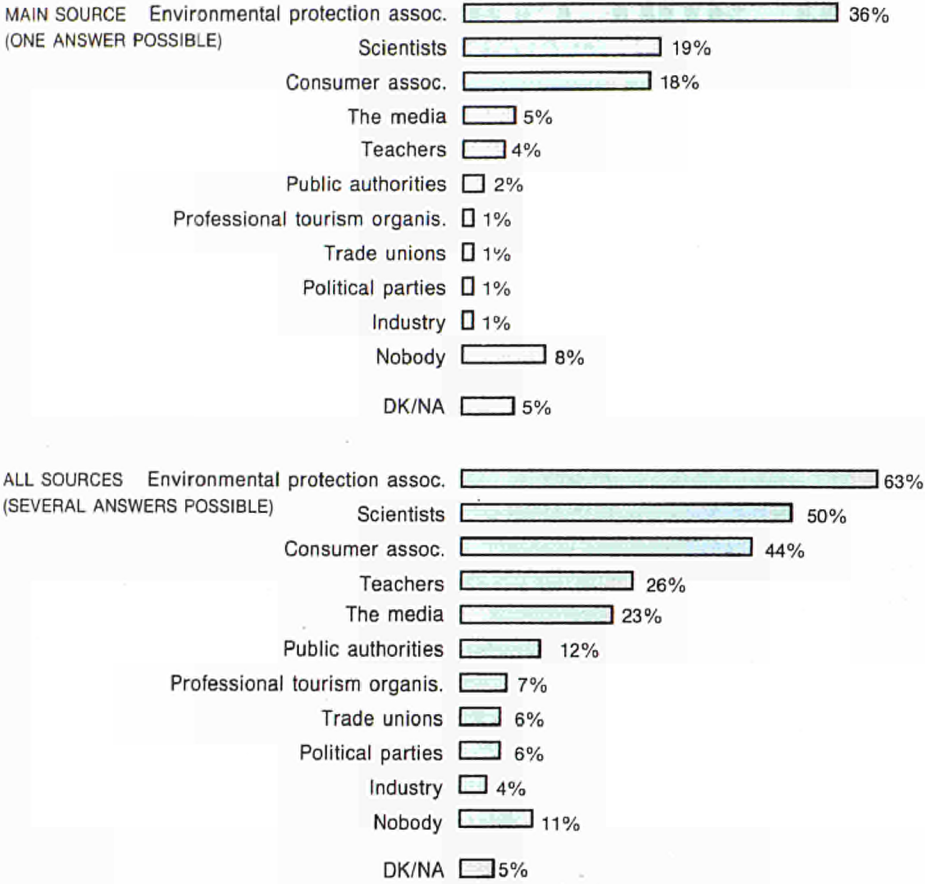
One could, however, argue that the second statement provided an 'easy option' for respondents which might not always be available in the real world. While it is doubtless true that some economic development has a neutral or even a beneficial effect on the environment, the two policy objectives will sometimes be irreconcilable. For a policy maker contemplating the construction of a new airport, the knowledge that 69% of the people affected support economic development *and* environmental protection provides little assistance if, in the final analysis, the project both enhances economic activity and increases air and noise pollution. It would have been interesting to know how Europeans feel 'when it comes to the crunch' and a real choice between economic development and environmental protection must be made.

In terms of economic sectors, the environmental impact of industry and energy weighed most heavily in the minds of respondents. The sector which prompted the least concern was tourism.

### Information

When asked which single source of information they thought to be most reliable on the state of the environment, the interviewees gave a thumbs-up to the various 'green' pressure groups. No fewer than 36% of those questioned opted for 'environmental protection associations'. Scientists came second with 19% while consumer associations scored a respectable 18%. These figures contrast sharply with those recorded for the media (5%), public authorities (2%), political parties (1%) and industry (1%).

RELIABLE INFORMATION SOURCES ON THE STATE OF THE ENVIRONMENT  
(EC 12 % FOR 1992)



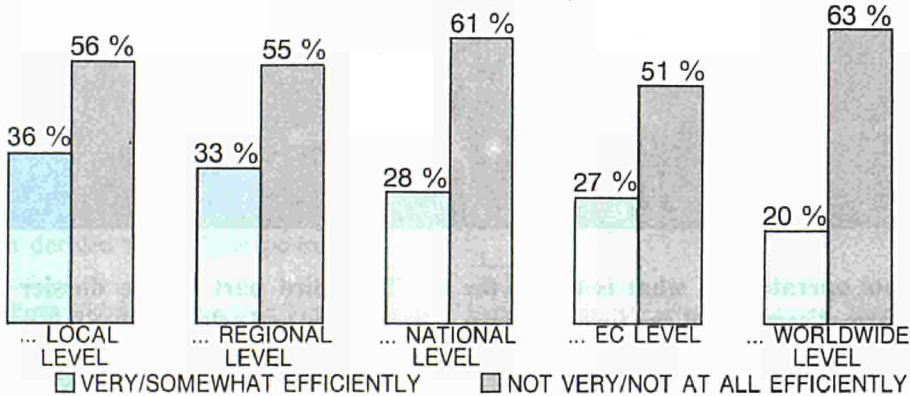
The four last-mentioned sources also performed dismally when respondents were given the opportunity to identify *all* reliable sources of information (as opposed to the single most reliable one). It would seem that only 23% of Europeans trust their newspapers and broadcasters, while a mere 12% have faith in the public authorities on this issue and political parties (6%) and industry (4%) clearly

have a serious credibility problem. Environmental protection associations again top the chart (63%) followed by scientists (50%) and consumer associations (44%).

People's own contribution

Interviewees were also questioned about their own behaviour — what they

SCEPTICISM ABOUT PUBLIC BODIES ACTING EFFICIENTLY OR NOT EFFICIENTLY AT THE...  
(EC 12 % FOR 1992)



had already done to protect the environment and what they might be prepared to do. Almost 90% said that they avoided dropping papers or other waste on the ground (which suggests a prodigious contrary effort by the other 10%, judging by the litter problems in some parts of Europe!). Between a half and two thirds said they saved energy in various ways, sorted out household waste for recycling, saved tap water and refrained from making too much noise. There was less willingness, however, to buy environmentally friendly products which might be more expensive.

Among 'things one would be prepared to do' to protect the environment, fitting one's car with equipment to limit pollution came top. Interviewees were not given the opportunity to say whether they would be prepared to dispose of their cars altogether in the interests of cleaner air!

Scepticism

One of the most interesting findings of the poll was revealed in the responses to a question about the efficiency of various public bodies in implementing environmental policies. In general, those who thought that public bodies were 'not very' or 'not at all efficient' outnumbered those who thought they were 'very' or 'somewhat efficient' by roughly two to one. Although greater confidence was expressed in local or regional authorities than in worldwide bodies, the figures make depressing reading for decision-makers at all levels. The positive rating of the European Community (27%) was not particularly impressive but it did manage to achieve the lowest negative rating (51%).

Overall, the Eurobarometer poll provides an interesting insight into the environmental concerns of European Community citizens. People clearly lack confidence in the ability of public authorities to tackle environmental problems and this is something which politicians and administrators will need to address. Europeans are also anxious about the future and they seem ready to take some action to alleviate the ecological damage of their own, highly consumer-oriented lifestyles. What is not known is the depth of this commitment in the face of new environmental imperatives which could require more radical (and uncomfortable) changes. A far more probing series of questions would need to be devised for this to be ascertained.○

Simon HORNER

## Development and cooperation

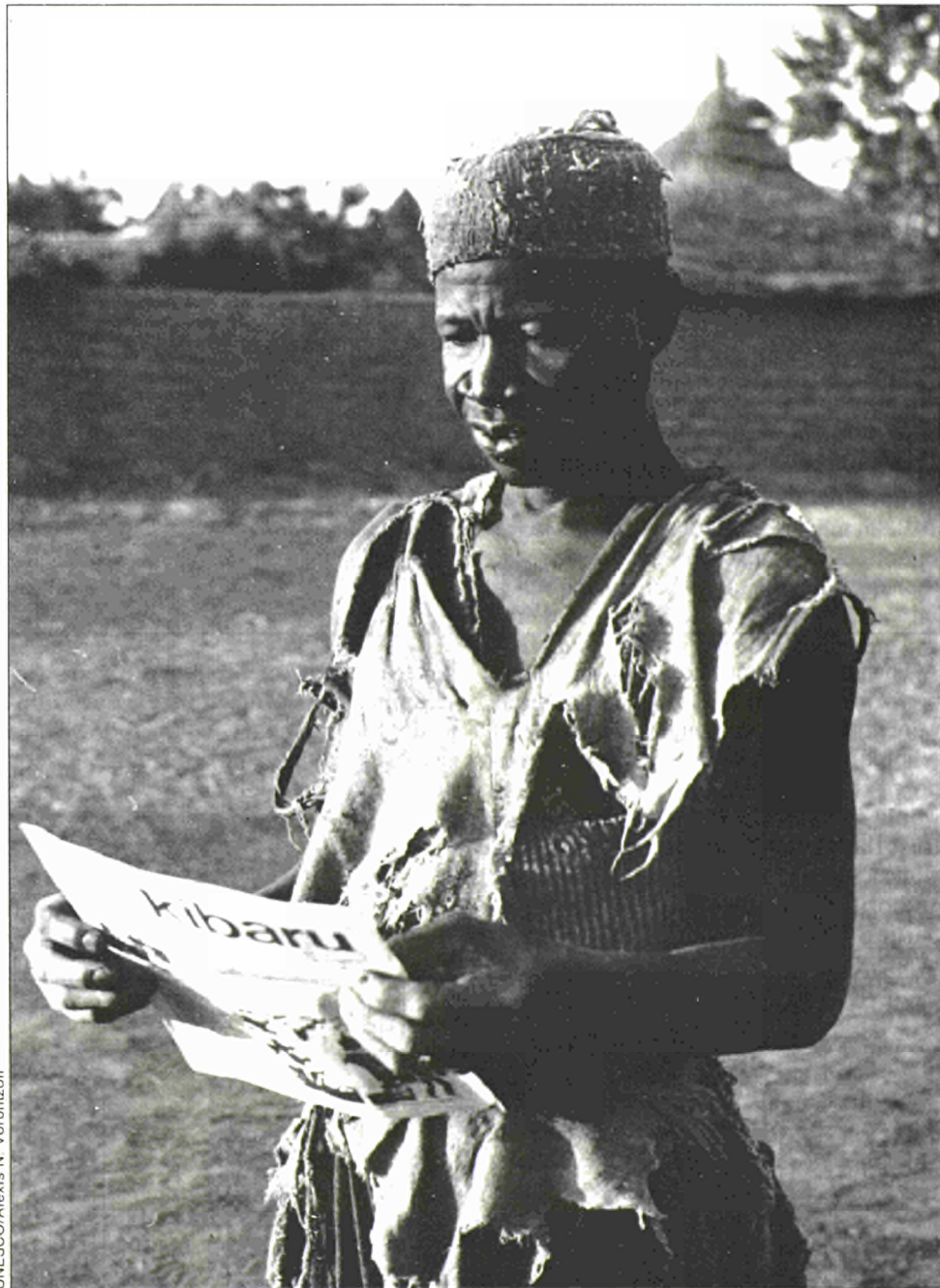
In the 1960s when the modern history of 'development' began, the objective set out as well as the means of achieving it looked simple enough: raise the living standards of the less advanced, newly-independent nations using the capital and technology of the industrialised world. Thirty years later the situation in the vast majority of these countries defies that logic. Poverty, ignorance, malnutrition, hunger and disease are rife. Indeed, in most countries the living standards have actually fallen.

Over the years, this lack of progress has provoked numerous theories about development leading to new policies and new strategies which still failed to deliver the goods. Everyone appears to be turning around in a circle.

Is it the concept of development that is wrong or the approach to it? To help answer this question, we have, in this dossier, a wide range of contributions from academics through to development actors and professionals.

The first series of articles attempts, among other things, to define and analyse the concept of development. The questions we ask include: does it mean the same thing to everybody? Would another term like progress, modernisation, transformation, evolution or revolution be more appropriate? Does development depend largely on international trade and aid? Can it be measured? What are the elements that need to be taken into consideration? Who should guide the development process?

A few articles deal with some of the real actors of development, the grass-



UNESCO/Alexis N. Vorontzoff

roots operators in what is called the informal sector and the investor from the North whose capital and technology are considered crucial.

The third part of the dossier examines aid and asks whether it is useful or harmful to development.○

Augustine OYOWE

## Three decades of development\* Failure, but no grounds for despair\*\*

by Michel CHAUVIN

*The optimism about Third World development which appeared in the 1960s has been completely crushed by the double burden of debt and famine in many countries in recent years. Three UN development decades have not really achieved anything.*

President John F. Kennedy's speech to the UN General Assembly on 25 September 1961 expressed the general feeling of optimism about the poor countries' development prospects. Political sovereignty, he said, was simply derisive unless it was accompanied by the means of overcoming poverty, ignorance and disease... This, he said, was why his country, which had been generous in sharing its capital and technology to help other nations help themselves (an allusion to the Marshall Plan) officially proposed that the 1960s be called United Nations Development Decade. With this resolution, the President maintained, the efforts which the UN was then making to encourage economic growth would be able to be augmented and coordinated. New research and technical assistance programmes and new pilot projects would be able to unleash the wealth of little developed lands and as yet unexploited waters. Development could cease to be competitive and become cooperative.<sup>7</sup>

First of all, note the three key words which we have emphasised. Clearly, in the eyes of the American President, development was first and foremost a matter of economic growth whereby the under-developed should be able to 'catch up' with the West. Furthermore, and to apply the American economist John K. Galbraith's caustic comments on his country's aid to India over the same period to the USA's contribution to the UN drive, there were, 'broadly speaking, only two things we could provide to lessen the deprivation — we could supply capital and, in principle, useful technical knowledge. The causes of poverty were then derived from these possibilities —

poverty was seen as the result of a shortage of capital, an absence of technical skills. *The remedy included the diagnosis. Having vaccine, we identified smallpox.*'<sup>1</sup>

On 19 December 1961, in a fine surge of enthusiasm, the UN General Assembly took up Kennedy's proposal and announced that the 1960s would be the United Nations development decade.<sup>2</sup> The development decade, it was called. There was no mention of it being the first development decade. In other words, 1960-70 was — apparently — all it would take to speed up the move towards the self-sustaining growth of the economy and the social progress of the various countries concerned. With comparable optimism, the FAO (the UN Food and Agriculture Organisation) launched its world campaign against hunger at the same time, aimed at wiping hunger in all its forms from the face of the earth.<sup>2</sup>

There was in fact little doubt that, with financial and technical aid from the industrialised countries, the poor countries could go a long way to conquering hunger and poverty and make a good start on catching up with the rich countries. The USA had managed to get the European economies off the ground again with the Marshall Plan, after all, and, with decolonisation complete, it was the western world's duty to do the same for the 'under-developed' nations. Similar success was bound to await this international economic cooperation programme, with the result that every under-developed country would see a substantial improvement in its rate of growth. So, with development viewed in terms of

quantity alone, all the UN did was propose that each country fix its own aims, with a minimum target of a 5% p.a. increase in overall national revenue by the end of the decade. Nothing was said about the way this growth was to be distributed between farming, industry and services. Nor about how it was proposed to ensure fair shares of the fruits of growth. To achieve the 5% target, it was hoped that the flow of international assistance and capital would reach 1% of the total national revenue of the economically advanced countries as soon as possible.<sup>2</sup>

Assistance to the developed nations did not reach 1% of GNP by the end of the decade, but the 5% growth target was in fact met and even improved upon. However, development was not in evidence — at least if Mahbub ul Haq, a leading World Bank official, is anything to go by. He was convinced, he said in a remarkable lecture in April 1972, that economic development was in a state of serious crisis. The results of two decades of development (he was referring to 1950-70) were extremely slender. Leaving aside the figures on growth rates, which could be confusing, the per capita income of two thirds of mankind had gone up by less than 1% p.a. over the previous 20 years. Even this pathetic increase had been unevenly distributed, leaving the poorest 40% of the population trapped in their struggle for survival, in some cases with even less than 20 years before.<sup>3</sup>

In 1970, the crisis he and other people had warned of failed to quench UN optimism, and the quantitative success, of the first development decade in terms of growth of GNP, spurred the Organisation to even greater ambitions. On 25 October, the General Assembly announced the second UN development decade, this time aiming for 6% average growth, with an increase of 8% p.a. for industrial production and 4% for agriculture — supposed to put paid to hunger once and for all. In contrast with the first decade, the social side of development was not completely overlooked and it was 'essential to ensure fairer shares of the revenue from wealth to promote both social justice and efficient production'.

\* From Michel Chauvin's book 'Tiers Monde: la fin des idées reçues' — Paris 1991 — Alternatives économiques collection — 224 pages — FF 15 — Editions Syros, 9bis rue Abel Hoveacque, 75013, Paris.

<sup>1</sup> J.K. Galbraith, *The Nature of Mass Poverty*, Harvard University Press, Cambridge, Mass. & London, England, 1979.

<sup>2</sup> UN, New York, 1961, General Assembly, 16th session, Resolution No 1710, 19 December 1961, pp 17-19.

<sup>3</sup> Mahbub ul Haq, lecture in Washington in April 1972 for the International Society for Development, published in *Responsables*, June 1973, pp. 8-15 (*Journal of the Mouvement des cadres, ingénieurs et dirigeants chrétiens*).



#### Educating women in Niger

*Combating illiteracy and overcoming ignorance is no easy task. The development decades have failed to solve the problem.*

The optimism of the UN Programme was confirmed in 1974 by an appeal from the World Food Conference, which wanted, within ten years, to see a time

come when no children went to bed hungry, no families lived in fear of having no bread the next day and no-one's talents were jeopardised by malnutrition.

Henry Kissinger, the American Secretary of State, went one stage further, announcing that there would be no hungry children in the world in ten years' time.<sup>4</sup>

While the industrialised countries slipped further into crisis in the 1970s, the countries of the South achieved respectable growth rates. Although the average was below the projected 6%, figures of 8-10% were managed in some cases, essentially by Brazil, certain countries in the Far East (South Korea, Taiwan, Hong Kong and Singapore) and, of course, the oil-producers (Iraq, Saudi Arabia, Algeria etc.) after the two oil-price shocks of 1973 and 1979.

Good progress continued because the rates of many (particularly agricultural) commodities picked up in the mid-1970s, labour-intensive industries moved from North to South and, above all, petrodollars (\$300 billion-worth) were recycled through private banks — incautiously, as it happened, so that, by the end of the decade, the Third World was already in debt to the tune of \$636 billion.<sup>5</sup>

Despite this rather flattering growth in the countries of the South, development was still playing a waiting game in 1980. The 4% growth target for agricultural output was still a long way away and the figure for the group of poorest countries (including China and India) was, at only 2.2%, scarcely more than the increase in demographic growth (2.1%).<sup>6</sup> But, according to the FAO's Hernan Santa Cruz, the problem was far worse than that, for the development strategies adopted for most Third World countries over the two development decades, he maintained, had failed.<sup>7</sup> With the closing of the UN's second development decade, there was more poverty, more under-employment, more malnutrition, more illiteracy and more poor health in the rural world than ever before.<sup>8</sup>

<sup>4</sup> Henry Kissinger, quoted by René Dumont in *Pour l'Afrique, j'accuse*, Paris, Plon, 1986, p. 397.

<sup>5</sup> International Monetary Fund, *Economic Outlook*, 1988.

<sup>6</sup> World Bank Report on Development in the World 1982, p. 10.

<sup>7</sup> Hernan Santa Cruz, *Réforme agraire et développement dans le monde* in *Le Monde diplomatique*, July 1979, p. 10.

<sup>8</sup> Hernan Santa Cruz, *Réforme agraire et développement rural*, in *Forum du développement*, May 1979, p. 1.

On 5 December 1980, undiscouraged but amidst general indifference, the UN proclaimed its third development decade.<sup>9</sup> It said that, in many cases, it had not been possible to achieve the objectives of the second decade, yet it proposed a similar strategy for the third decade. Average growth of 7% p.a. was suggested, 9% for industry and 4% for agricultural output — somewhat unrealistic targets given the economic conditions of the time. The prime responsibility for development, it maintained, lay with the developing countries themselves, but, in the preamble, it went straight to the determination to form a new international economic order, while the chapter on the projected measures began with a paragraph on international trade and trotted out the liberal credo about freeing trade and facilitating the workings of dynamic comparative advantages with a view to a more efficient international division of labour. Development was defined as an integral process, giving practical shape to aims both economic and social, but the way to achieve them was described in vague, if not purely Utopian terms — witness the idea of full employment and primary education for all by the year 2000!

The third development decade is over, but where is development? In June 1987, the World Food Council said that there were enough food stocks available to feed the whole world, but there was still hunger and malnutrition all over the world.<sup>10</sup> Even the economic growth which graced the first two development decades is sadly wanting now, underlining the unreality of the aims of the third decade. Cutting out China (10.4% growth) and India (4.6%) brings growth of GDP in the group of low-income countries (World Bank classification) down to only 2.0% between 1980 and 1988. The intermediate-income countries did slightly better, but the big improvement in a very small number of countries (Korea, Turkey and Egypt) gave a misleading average. More serious still was the fact that agricultural output went up by only 2.3% in low-income countries other than China (6.8%) and India (2.3%), which was far less than the rate of



Harvesting millet in Niger

*Over the last development decade, agricultural production rose by only 2.3%, which was far less than the rate of population growth.*

population growth (2.8%). By the end of 1989, the Third World's external debt was already up at the \$1290 billion mark.

Two things emerge from this short historical outline.

1. The views and opinions of heads of international organisations suggest that a certain degree of pessimism — or a degree of certain pessimism — about develop-

ment is clearly not confined to Third Worldist movements.

2. The international community's obviously unrealistic aims, so neatly summed up in Henry Kissinger's misguided prediction, have not been achieved. Far from it. So — without being accused of undue pessimism — this is a clear case of failure. ○ M.C.

<sup>9</sup> United Nations, New York, 1981, General Assembly, 35th session, *Resolution No 35/56*, 5.12.1980, pp. 123 et seq.

<sup>10</sup> World Food Council, June 1987, in *Afrique Agriculture*, No 143, June 1987, p. 5.

## Toward an ethic for development

by David A. CROCKER \*

Policy makers and project managers involved in international 'development' often confront ethical questions in their work. Similarly, it is increasingly common to recognise that theories and models of 'development' and 'underdevelopment' have ethical or valuational as well as scientific and political components. As a result, a new discipline has emerged called international development ethics.

By development ethics, I mean the normative or ethical assessment of the ends and means of national, regional, and international development, an all-embracing enquiry into such issues as: what should be the fundamental goals of economic, cultural and political change? Should we continue using the term 'development' instead of, for example, 'progress', 'transformation', 'beneficial change', 'liberation', or 'revolution'? Are associations with 'developmentalism' so strong that it would be better to be 'anti-development'? Is the concept of develop-

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ment descriptive, prescriptive or both? If we continue using the term 'development', as meaning beneficial alteration, how should we define 'beneficial' and how should the benefits and burdens of this change be distributed? Should environmental concerns be built into our concept of good development through such notions as sustainable development or ecodevelopment? What ethical and other value issues emerge in existing development policies and practices and by what methods should they be resolved? What moral responsibilities, if any, do rich countries, regions, and classes have toward impoverished countries, regions and classes? What international structures are called for by global justice? Who ought to decide these questions?

### The emergence of a new discipline

This manner of reasoning may appear new. In fact it goes back to the early 1960s when North American Denis Goulet, influenced by French economist Luis-Joseph Lebret, first drew the attention of development experts to these questions. Goulet argued that 'development' needs to be redefined, demystified and thrust into the arena of moral debate.

#### A Kikuyu in Kenya

*Development ethics aim 'to assure that the painful changes launched under the banners of development and progress do not result in antidevelopment which destroys cultures and individuals ...'*

Drawing on his training in philosophy, political science and social planning as well as from his grassroots experience in projects in numerous countries, Goulet investigates answers to 'the ethical and value questions posed by development theory, planning and practice'.

One of the most important lessons learned from Goulet over the past three decades is that well-intentioned 'development' can have terrible human costs — especially to the poor and vulnerable groups. 'The essential task of development ethics', he says, 'is to render development decisions and actions humane. Stated differently, it is to assure that the painful changes launched under the banners of development and progress do not result in antidevelopment which destroys cultures and individuals and exacts undue sacrifices in suffering and societal wellbeing — all in the name of profit, some absolutised ideology, or a supposed efficiency imperative. Development ethics as a discipline is the conceptual cement which binds together multiple diagnoses of problems with their policy implications, this through an explicit phenomenological study of values which lays bare the value costs of various courses of action'.

Goulet's ideas have been one source of a world-wide interest in ethics and development. In 1979-80, Asian scholars, policy makers and development professionals treated moral issues inherent in developmental change in that part of the world. The result was the volume *Ethical Dilemmas of Development in Asia*.

Latin American philosophers and social theorists have also engaged in development ethics. In 1974, Costa Rican Roberto Murillo called for 'a developed notion of development'. In his book *Ciencia y Desarrollo* (Science and Development), published in 1980, Argentine philosopher Mario Bunge proposes 'authentic and sustained development' in what he calls the 'integral conception of development'. By this he means a vision that is 'simultaneously biological, economic, political and cultural'. Influenced by both Murillo and Bunge, two Costa Rican philosophers, Edgar Roy Ramirez and Luis Camacho, began treating ethical questions related to technology and development policies in poor countries. Ramirez argues that it is important to articulate a new concept of development 'in order not to confuse it with modernisation' and 'because it is preferable to





decide things for ourselves than to have others decide for us'. Camacho maintains that good development should include compliance with human rights and that human rights should include the rights of vulnerable groups and poor countries to have access to appropriate technology.

In 1987, Ramirez and Camacho, together with the author of this article and others, formally founded the International Development Ethics Association (IDEA). IDEA, a multicultural, multidisciplinary group of philosophers, development theorists and policy-makers, and grass roots activists, applies moral analysis and criticism to development goals and strategies. Denis Goulet gave the keynote address at IDEA's first conference on ethics and development at the University of Costa Rica in 1987. Since then IDEA has grown rapidly and has sponsored conferences or workshops in Mexico (1989), the U.S.A. (1991), Kenya (1991) and Honduras (1992). The theme of the last event, organised by Honduran development philosopher, Ramon Romero, was 'The Ethics of Ecodevelopment: Culture, the Environment and Dependency'.

Interest in development ethics also surfaced in 1986, at the University of Papua New Guinea, which hosted a seminar on this theme, appropriate for a region where 'development' is increasingly being seen as having a disruptive effect on the 'traditional societies'.

The most important development ethicist emerging from economics in general and development economics in particular is Amartya Sen. For Sen, traditional development economics has mistakenly identified economic growth as the end of development. At best, economic growth is only a means — and often not a very good means — for the real goals of development. To say what counts as development success and failure we need an ethical definition of and ethical criteria for development. For Sen and U.S. philosopher Martha Nussbaum, development should be defined as a process of expanding the capabilities and promoting the valuable functionings of people. The key question is not what goods are produced or preferences satisfied but what people are able to do and be. Through the World Institute of Development Economics Research in Helsinki, Finland, Sen, Nussbaum and Crocker have been elaborating and applying the 'capabilities' approach to development

issues such as the quality of life, gender equality, and new reproductive technologies.

Development ethics has also been taken up by several Anglo-American philosophers in addition to Goulet, Crocker and Nussbaum. British philosophers Onora O'Neill and Nigel Dower stress the moral obligation of the rich and powerful to meet the basic needs of the world's poor. Dower and Robin Attfield, in an anthology entitled *International Justice and the Third World*, have addressed the actual and ideal links between development and the environment.

These different individuals and groups have different concerns about development. All are united by the recognition that the theory and practice of development raise pressing ethical questions. Some want to reject the language of development altogether; others are trying to redefine it. All want a world with less misery, violence, and destruction of the environment and traditional cultures.

#### Agenda and conclusion

Much, of course, remains to be done in the further evolution of ethics for national and international change. We need, for example, to clarify further the nature, methods, and function of ethics in relation to the sciences and politics of development. We need to understand more fully how development ethics should be related to other fields of ethics, for example, environmental ethics as well as ethics and international affairs. We need to elucidate and comparatively evaluate various ethical visions of social transformation, such as the 'capabilities approach' to development, the various models of sustainable development, and the radical critiques of all development. We need to consider further the challenges of ethical relativism, psychological egoism and political realism — especially the charge that development ethics is but a new form of Northern cultural imperialism. We need to perform ethical evaluation on the development goals, strategies, and institutions of particular societies and regions. We need to use, refine and supplement the United Nations Development Programme's ethically based but operational criteria for what counts as development success and failure. We need detailed ethical assessments of the goals and performances of national and international development agencies. We need empirical work on the conditions that facilitate and block persons, communities and institutions in

their efforts to comply with what ethical principles prescribe.

But some things should be clear as we draw together the threads of this essay and work toward an ethics in the context of the theory and practice of development.

It is best, at least in our present age of disciplinary and practical divisions, that 'an ethics for development' be the work of many hands. It ought to be at least multidisciplinary and perhaps a new integrated field to ensure the presence of various theoretical elements — not only economics but also sociology, political science, history, ecology, agronomy, law and philosophy. It ought to transcend the distinction between pure and applied sciences and therefore include such fields as agricultural economics, education, social work, engineering, ethnic studies and women's studies. The moral dialogue ought to include theological ethics, so as not to neglect the resources of the religious communities, as well as secular ethics, in order to hammer out an improved global and public consensus.

Development ethics ought to go beyond both normative and empirical theoreticians to include policy makers, politicians, journalists, activists, and representatives of grassroots communities. It ought to involve rural and urban participants if urban bias is to be corrected without neglecting crucial urban/rural linkages. The dialogue must involve both women and men in order to diminish sexism. Members of minority groups must participate to reduce racism, classism, and academic bias against traditional practices and popular wisdom. The dialogue must involve citizens as well as government experts and private consultants if citizens are to have a real opportunity to exercise their capacity for and right to effective participation.

A development ethics, then, requires a global dialogue. Perhaps what is most important is that this dialogue occur in a context in which the big, strong, and rich do not coerce the small, weak, and poor. Our notion of authentic international development itself should include this ideal of unrestricted and unforced moral dialogue.

If these persons and groups are integrated in moral dialogue, we will be moving toward the right kind of development ethics and, hopefully, toward authentic development and a better world. ○

D.A.C.

## Give development a chance

*An interview with DAC Chairman Alexander Love*

Alexander Love was elected Chairman of the OECD Development Assistance Committee, better known under its acronym DAC, in December 1990. The DAC groups the 22 major donors (including all EC Member States except Greece), offering them a platform to discuss all aid-related issues and monitoring their development cooperation efforts. The current DAC Chairman is a former Counselor of the United States Agency for International Development (US-AID) and part of his long career in development assistance was spent in the field, both in Asia and Africa. In the following *Courier* interview, he gives a frank review of the current thinking in the donor community. Focusing on Africa, he highlights the challenge of peace and stability in that conflict-stricken continent and pleads for such basic issues as education, demography and democracy.



The Courier

► *More and more people are nowadays suggesting that there is some sort of development aid crisis. Do you think that is putting it too strongly?*

— I wouldn't use the word 'crisis'. I would say that there is a concern about public attitudes and support for development assistance. I think this is beginning to reflect itself in pressures on the aid budgets in many of our member countries. And it isn't just a question of public support although it is a part of it. There are a number of factors.

First, as we continue to evolve in the post-cold war world, with the changes in the East-West relationship, I think the framework, rationale and definition of the priorities for development assistance are changing. There are the requirements for aid to the East and the growing global challenges of AIDS, drugs and environmental issues which are emerging as development issues. There is the disappearance of some of the traditional security concerns that have had an impact on programmes in the past. So one of the things that is going on in the world today is a process of reassessment of the new priorities. I don't think anyone feels that working with developing countries is not still a priority, but the challenge is there.

Second, I think that the economic difficulties that are being faced by many members of the Development Assistance Committee — and in today's world, we are almost the only donors — is causing a real problem. We have unemployment and major pressures on budgets. With unemployment at home, the question of public attitudes towards providing money overseas is critical. That reinforces the difficulty for Parliaments and

those responsible for budgets. In short, the budget crunch and economic difficulties do not point in the direction of a more generous attitude towards development aid.

Third, I think that questions are being raised, even in some of the more supportive countries such as in Scandinavia about the effectiveness of aid. There are doubts whether programmes that have been assisting countries like Tanzania for many years have really resulted in anything tangible. As a result, I think some of the donors are saying 'What have we got from this assistance?' While it doesn't mean that they are turning their back on aid *per se*, they are asking: 'Have some of the approaches we have been taking been wrong? Is there a need for reassessing some of our ways and means of intervening in this situation?'

► *When interviewing your predecessor several years ago, we reached the key question: 'Has aid aided?' (after 25 years of operation). Mr Wheeler replied: 'So far, there is no clear evidence that aid hasn't aided.' Do you think an answer like that would still be acceptable to the general public?*

— I am not sure that I would put the answer that way. I think you have to look at the degree to which the developing world, as it existed thirty years or so ago, has changed and which parts of the world have gone through positive development and which haven't. It's clear to me that the transformations that have taken place throughout Asia, perhaps with the exception of the Philippines, have been mind-boggling. In Korea, Taiwan, Singapore, Thailand, Malaysia and even Indonesia, there has been tremendous development.

And there is no question in my mind that aid played a major part in that process. It is very difficult to sit down and academically draw the causal relationships between aid and development. It is a complicated process and is clearly driven by a lot of other factors. So it's hard to say Korea or Taiwan or Singapore would have made it without aid. But I think what they would tell you is that access to assistance helped them accelerate the process. And I think that's a story that needs to be told.

Then you can look at situations like India where you might come up with a variety of conclusions. You could say: 'Here's a country that still has an enormous number of poor people and, therefore, it's been a failure', or you can turn it around and say: 'For many years, India couldn't feed itself, and was subject to periodic droughts and massive starvation. It is now a country that takes care of itself and can feed itself.' This has been brought about by a major success in agricultural research which was promoted by various development agencies. There has been a superb programme of investment in irrigation, agricultural development and fertiliser production facilities. This agricultural transformation has come strongly from their involvement in development assistance.

If you go to Latin America, it is harder to put your finger on exactly where it has worked and where it hasn't because they have been on a roller coaster. The period of the 1980s in Latin America was very interesting because, as it went into a downward spiral, a number of countries became very dependent on undertakings they made about sound, sensible economic reform programmes. The World

Bank, IMF and bilateral donors were critical to this process in some of these countries. And I think that, in conjunction with the progress that has been made on debt restructuring, they have helped to give Latin America an economic framework for a return to growth, which, of course, is what has happened. During the same period in the 1980s, Latin America decided to go through a process — essentially on their own — of political transformation. There are eight or ten countries, which had autocratic governments at the beginning of the 1980s, which have moved to 'democratic' regimes. So now we have Latin America, outside of the situation in Haiti (and depending on how you characterise Peru), with more or less democratic government, and that is certainly a positive situation.

I think, however, that there is a major failing in the Latin American position in that the development programmes have not been able to overcome the problem of unequal income distribution. There are great disparities and, as a result, major social problems. The challenge that faces the development community, and Latin American governments in particular, is to do something about the social issue with a view to achieving greater equity and building a broader base of support for the democratic process. A simple democratic election and a change of government from a military regime is not enough. You've got to build a stronger base in terms of the political process and that means a more equitable economic situation. Otherwise there will be a 'flip-back'. You will see some reversion to the overthrow of the governments and a return to some form of autocratic regime.

► *You have mentioned a number of national and regional successes but, as an old 'Africa hand' yourself, that continent is notably absent from your list. Despite this, in Africa today, there is a young generation of intellectuals who are saying: 'Let us refuse aid and do it our own way, with our own (very limited) resources'. What is your view about the overall lack of success in Africa and on the refusal of aid?*

— The situation there is obviously very complex. I think firstly that you must look at Africa in a long term context. There aren't going to be any quick fixes and, therefore, you've got to come up with a long-term strategy that begins to look at some of the key underlying factors that have an impact on African development and then start working on it. And you need to recognise that you are not going to see returns in some of these areas

for a long time. What are some of the key problems? One of the major ones has simply been political unrest and civil war. Look at what is happening in Somalia today or what has taken place in Ethiopia and Sudan. Look at the situation in Mozambique which has spilled over into Malawi and Zimbabwe, and at what has happened in Namibia, Angola, Zaire, Liberia...

► *The list is endless...*

— Yes. You could even have another civil war in Nigeria. But if you just take Ethiopia, Sudan, Somalia, Angola and Mozambique, you are talking about 80 million people who have been living in the middle of fighting for many years, with large numbers of people displaced. How can you expect those economies to grow? These people are barely able to stay alive. Something has got to be done to put some peace and order back into that continent so that development has a chance. I think that, in a way, we turn a blind eye to the security problem in Africa and the impact that it has had in the past and is continuing to have in undermining the development process.

Look at Malawi and Zimbabwe. Malawi has taken an enormous number of refugees from the fighting in Mozambique and has paid for their support out of its own resources. Zimbabwe has had to put military forces in and to pay the cost of peacekeeping as well as shouldering the burden of a refugee population over a long period. That sort of thing undermines these countries' economies.

► *So you would say that development cooperation has turned too much of a blind eye to those situations for too long?*

— Yes. Of course, the donor agencies have been in the forefront of emergency and humanitarian relief — that is part and parcel of their business. At the same time, and this is a question which has long bothered me, when you are facing these humanitarian crises which always get high priority, as indeed they should, the funds that are used to pay the bills often come right out of the development budgets. So there is a direct transfer from investments in long-term development to humanitarian relief. Obviously, if you can save a dying Somali child today rather than educating, say a Kenyan child, you are going to save the Somali but in terms of long-term development, there is obviously a cost. One of the problems we're seeing now, in a tight budget situation, is that resource allo-

cation is being made away from long term investments.

Related to that is the question of how much of Africa's money goes on arms. The continent has one of the higher levels of military spending. In most cases, they are not facing internal or external threats but an enormous amount of money has been spent and you have to ask yourself again whether that money could not have been better spent on long-term development. And of course, if things break down later on, all these weapons become available, as they are in Somalia. So you get both the undercutting of the use of domestic resources and the problem afterwards of leaving armaments around to cause problems.

► *Is that an indirect plea for greater political conditionality — spend less on arms and defence, and do more for your own development?*

— I think what we are saying — we have already said this as the Development Committee — is that we have targeted military expenditure as an issue of major concern. We are encouraged by efforts to begin to do a better job of recording what is happening and make it more transparent. It's not so hard to take the step, although it is an important one, simply to show what is happening. Then comes the difficult question of saying what is too much. There, it seems to me that you can ask three questions. First, is a government doing the right thing in terms of putting money into the military, second, what is being done to remove the threats within the country or the region that are forcing them to do this and third, are the Northern armaments suppliers pushing exports of arms. I think all three of these issues have to be addressed. There has to be a partnership in terms of how to handle this.

So this problem is on the agenda, it is being worked on systematically and we will continue with it. How this translates into conditions is, I think, another issue.

► *Many other African countries also face a dual transition: Firstly, a transition in many cases towards democracy and secondly, the economic structural adjustment that has been going on for a decade. Faced with this double challenge, do you think there is a way out for these countries? What is the link in your view between support for development and support for the democratisation process?*

— The process of economic and structural adjustment obviously has been going on for a decade and will continue to

go on for a greater period of time in Africa, although I think much progress has been made in Latin America. The donors have to support this with substantial resources to ensure that reform has a chance. The interesting and complicated part comes when these countries decide to undertake political reforms at the same time — and certainly we support them when they do. That does a couple of things, it seems to me. First, it may reduce the ability of the government to undertake quite difficult and painful structural adjustment reforms, cutting subsidies to the urban population or whatever, as compared with an autocratic government. So you have got the problem of public support, although I do think that a process in which the government is forced to involve the population and win their support is the only one that is likely to work in the long run. The other thing is that it puts a time limit — a degree of urgency — on the economic reform process. You have a situation that is similar to that in Eastern Europe. The government can start difficult economic reforms but it must show some progress, otherwise you are going to get political unrest. So I think that the combination of the political and economic reform processes demands that the donors be more responsive.

A good example is Zambia which has made a peaceful transition from Mr Kaunda to the new government. They have undertaken a quite incredible economic reform programme. At the same time they went through political change and on top of all that, they were handed the problem of the southern African drought which we estimate will cost them \$300 million. In this situation, the donors have got to help with sufficient resources to see that they can get through the transition, otherwise you will begin to see public disaffection with the new government.

► *What about the 'debt — aid — trade' triangle. Some say that you should tackle the debt first because, in the long term, if it isn't cancelled, you can't do anything else. Some say 'aid first' while others argue that the way to escape from the situation is to boost trade. Is there a right balance to be struck between the three?*

— I don't know if it is a question of striking a balance. I think you should push trade, encourage more direct investment, do everything you can on the debt front and push the official development assistance to the extent that's required.

As regards Africa, the disturbing thing is that they are almost totally dependent

upon official aid. There is negligible direct foreign investment. Their trade situation is not promising and we haven't made as much progress on the debt situation as we would have liked. In short, you have got an unhealthy balance and that bothers me. I don't think it is good for democracy to have governments which are basically dependent on external donors for their financing, because it restricts their decision-making processes. They become more responsive to external donors than to their own internal concerns. And I don't think we are that smart and unbiased in terms of what we know.

► *Is there a way out then?*

— I don't see any way out in the short term. It is pretty hard to try and tell people to go and invest in Africa. What will it take to make Africa attractive — to make it a viable credit risk for the banks and a productive investment target for the private sector? I think we have to face the fact that, unfortunately, they are going to be dependent on official development assistance for quite a period of time. But it does seem to me that we need to think through a strategy of saying: 'What are the constraints that need to be tackled to enable Africa to have a greater chance of development in which they are not so dependent on the donors?'

► *There is increased competition for fewer resources: a kind of 'East-South conflict' with former East-bloc states, at least in the eyes of the developing countries of the South, eating away at the available funds.*

— Except that's not really happening...

► *But they believe it.*

— Whether they believe it or not, it's not happening. First of all, I think we need to put in perspective, some of the key changes that have had a serious impact on this resource question. One change has been the disappearance of the Eastern Bloc and the Soviet Union as a major donor. Depending on how you counted it, some \$4-5 billion was coming out of there — you can argue about the exchange rate or about the quality of what they were doing, but they were a major donor and that has now disappeared. This means that a number of places that were heavily involved with them, which included Ethiopia, Mozambique, Angola, Indochina and Afghanistan, are re-entering the former Western aid recipient category — which is now the world recipient category — as additional claimants. These are big recipients now

entering the equation, and they are not part of the East but of the South in the traditional sense of the term. They are in there competing for IDA and bilateral allocations. At a time when the IDA level is not going up and the bilateral level is only rising slowly, that is probably one of the more immediate competing factors.

Then you move to Eastern Europe. The process we are engaged in at the moment is in discussing which are the relevant countries, and whether they are to be regarded as 'developing' or perhaps in some other category such as 'countries with economies in transition'. As a first step, we have made decisions to designate the five Central Asian republics as 'developing' and they are now in that category in the computer. We also decided to graduate six countries<sup>1</sup>, that were small recipients, and were on the developing country list. And we will be going through a thorough revision in the course of the next year to make some adjustments.

The question of course will be: 'What impact is that going to have on the reallocation of aid'. Right now, I don't quite know but I don't, for example, see the flows which we are attracting to Eastern Europe as constituting a major diversion. Nor, frankly, do I see the five Central Asian republics being such large claimants that they are going to cause major diversions. If we start talking about taking resources away from traditional developing countries and putting them into Poland or Russia itself, you might see a major diversion but I think we will be keeping Russia and some of those other places separate. The donor community is dedicated to making sure that money is not diverted from the South.

► *Africa will, as you said earlier, continue to depend very much on official development aid. But it is no secret in the donor community that there are difficulties over where to put the money. People are looking around and asking: 'Where can we find good projects', particularly if you take 'sustainable development' as the criterion. Do you agree that there is such a problem?*

— I think there is an enormous need, and there are limits on the capacity to absorb aid. There is no doubt about that. But let us look at some of the positive things that I think might happen in Africa within the next two or three years that could lead to some very interesting opportunities for the donors. Let us assume that the peace in Mozambique

<sup>1</sup> Including the Bahamas.

holds and that the election process in Angola does eventually bring stability — neither, of course, is guaranteed. In Mozambique, there may then be opportunities to begin returning people to their homes and to make some basic investments in reconstruction. In Angola, which, of course, has good resources of its own, the possibilities are enormous. Now, if South Africa could make its transition with a reasonable degree of stability, the Southern Africa region as a whole will then present incredible potential. South Africa has got the technology, expertise and entrepreneurship while the resource base of the countries to the north is enormous. There would then be a substantial likelihood of the region becoming an attractive area for direct investment — and they have a market too. It may just be Southern Africa but it could begin to turn around the image of the continent as a whole.

In contrast, I despair for the Horn of Africa. I find the situation in Sudan almost as deplorable as that in Somalia — perhaps even more frightening in the long-term. At least in Somalia, in the final analysis, they are all Somalians and they are all of one religion. If you can find some way to get the clans to cooperate, perhaps they will come back together. But Sudan, I find to be terribly frightening. As for Ethiopia, I don't know. It is a country with enormous potential if — setting aside the Eritrean question — the rest can hold itself together. But in any event, peace and political stability must be the first order of business.

As I said earlier, governments have this major and continuing challenge to invest in stabilisation and this is going to require significant and perhaps increased resources in the longer term. We should be going back to some basic investments. We should be doing much more in education in Africa.

We are also crazy not to do more about the population issue. As a donor community, we have a mental block in this area. It is very much like the way we looked at population in Asia 30 to 40 years ago and the arguments being used are the same. They are saying 'We can't do this, we need the children to run the farms, the people don't want to do it'. Yet if you look at Taiwan, Thailand, Indonesia and so on, in one generation, these countries have managed to hold their populations down. If Africa doesn't do something about its population problem, it is going to eat up all of the investment. And I think that the desire on

the part of the African people to do something about it exists. It may be to go from eight to six in a family — not necessarily down to one and a half — but so what? We should at least be giving them the chance to decide themselves what size of family they want and not simply to say: 'Its too bad you don't have access to the type of devices to control it yourselves'. It must be done, and it is such a low cost operation.

So we have to invest in new resources in Africa, we must focus on the demographic issue, on peace and stability, on encouraging democracy — and then we have to wait.

Until some of these things begin to happen, where is the attraction for someone to go to Africa? You either go for the market, the resources or the labour. Africans are not that well trained and they certainly cannot compete with the highly skilled labour forces of South-East Asia. The markets, outside South Africa itself, are not very interesting although there is a natural resource base and that does get exploited.

Another element is encouraging them in the process of shifting from a public sector to a private sector focus. There is still a lot to be done in that area, and it is also a long term process. There are some entrepreneurial skills in Africa but they are not as well developed at this stage as they were in Asia thirty or forty years ago. There aren't many people out there to take on the responsibility and we must help to build the institutions to support the process.

► *How do you see aid evolving towards the end of this century. Will the 0.7% GNP target ever be reached (the average today is about half of that) and will there be another role for development aid?*

— I think that the definition of development priorities will change. You will see the growth of the global issues I have mentioned as a more important part of the relationship, and I think you are going to see more countries 'graduating' and becoming donors in their own right. There is a lot of activity going on out there which we are not measuring — which is South/South cooperation and the emerging donor role of countries like Korea, Taiwan, Thailand and Singapore. They are now in the business. Indeed, some of them have been for many years and they are going to become an even more important factor in assistance to the poorer countries.

Secondly, there will be a broader framework of cooperation between the developed and developing countries, if we even continue to use those terms. It will include an interface between financial concessions and financial assistance, a more cooperative and intelligent inter-relationship in areas like trade, greater efforts to promote direct investment and working agreements on issues like the environment, AIDS and drugs. In short, the relationship will need to be much more comprehensive if we are going to really get this process going. This is part and parcel of the growing interdependence that is evolving in the world. That presents a challenge for the developed countries and indeed for the OECD as an institution. We have to find ways to get the treasury, the aid ministry, the foreign ministry, the trade ministry, the health ministry and so on, who are involved in these things, to work together so that their policies and practices reinforce the objective of promoting development in the broadest terms in these countries.

At the moment, there are tremendous rigidities in our own capitals. Within the OECD as an organisation, all the different groups that are so competent in their own areas, are mirror images of the various ministries at home, but we don't talk to each other to the degree that we should. So it seems to me that we all have a challenge, which is to start working more cooperatively and seeing that our policies are reinforcing rather than counteracting.

If we can do that, we may begin to see a kind of multiple influence on the countries involved. It means that the aid people are going to have to start realising not just that they are not the only 'guy on the block' but also that they may not be the most important participant on the block when it comes to dealing with the range of these countries.

We need to move into a different structural arrangement in which aid will be more important in some areas than it is in others. It is going to be important in Africa for a long time, but it is going to play a much more selective, targeted role in areas like Asia. I believe that by the end of the century, we will see a transformation in the character of the relationship with the developing countries even though there are still going to be those on the list that are quite poor. I hope that happens, because if it doesn't, we are not going to get the job done. ◯

Interview by Roger DE BACKER

## Development as a pledge of financing

by Elsa ASSIDON \*

*The basic problem in economic theory is to comprehend the process whereby a community which once saved and invested at least 4-5% of its revenue turns into an economy in which voluntary saving is of the order of 12-15% or more of revenue (Arthur Lewis, 1954).*

Ragnar Nurkse's idea that 'a country is poor because it is poor' (1953) reflects the common view that development is a question of money. There is not enough saving because earnings are low and earnings are low because production cannot expand because the market is flawed, capital is short and there is no incentive to invest. The problem is to break out of this vicious circle, trigger development and finance transition until such time as domestic saving reaches an adequate level and growth is self-sustaining. External financing is required in the meantime. Europe itself, after all, had Marshall Plan aid to help it rebuild and grow again after the war. And we hear many of the same ideas now about the countries of Eastern Europe and sub-Saharan Africa.

With the injection of foreign capital, revenue improves as production expands and development becomes a pledge of financing. New resources are channelled into investment and, with the diversification of production, the economy sheds its dependence on the outside world because national currency, whether from saving or credit, can be exchanged for a wider range of goods.

This, in outline, is how the economists described transition before the debt crisis, when money was more likely to create development than happiness. An observation of past trends suggests it would be a

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good idea to take a somewhat less mechanical look at the matter of financing.

### External financing and national savings

At the end of the 1960s, studies underlined a negative correlation between injections of external capital and domestic saving in the developing nations.<sup>1</sup> Statistical tests revealed such a correlation in cases of official development assistance in particular, although cause and effect were not clearly established. The results of injections of

private capital (direct investment and other contributions) were less detrimental.

There were apparently many factors preventing domestic savings from expanding — a finding which financial development theorists used as an argument against Keynesian traditions of financial repression, particularly the idea of low interest rates as a means of encouraging investment and growth but suspected of discouraging saving.

Later studies showed a strong increase in exports and domestic saving in countries which grew sturdily in the 1970s. The export/growth/saving hypothesis is a legitimate one in extrovert economies, for exports really are the driving force of growth. But what about savings?

Let us compare two types of extrovert economies — those of the new industrial

<sup>1</sup> There were many questions about the methods used in these empirical studies — the way savings were calculated, the residual size in national accounting, whether just productive investments (not including outlay on education and health, which was disclosed as consumption) were recorded, whether the costs of the external debt were subtracted, the percentage of the external contribution actually invested and so on.



*'The export/growth/saving hypothesis is a legitimate one in extrovert economies, for exports really are the driving force of growth'*

countries and the primary exporting countries of sub-Saharan Africa (where the rate of saving fluctuates widely from one year to the next). In the former countries, the level of saving seems to be maintained, but, in the latter, it is like a perpetual lottery, varying in particular with the price and volume of exports, with the accountancy theory of saving as residue in full operation.

Nonetheless, in the new industrial countries, rates of saving develop differently in the long term. The rate went from 21% to 27% of GDP in South Korea, for example, and from 24% to 17% in Brazil between 1965-1973 and 1980-1985 — i.e. between a period of strong growth and the period in which the debt crisis broke out.

### Foreign exchange constraint and the debt crisis

As the crisis in the 1980s showed, the way foreign currency constraint eased varied widely from one country to another following the growth processes observed over the two preceding decades.

The majority of countries which continued to specialise in primary products (notably oil producers and virtually all the economies of sub-Saharan Africa) were unable to honour their external debt repayments in full when export revenue slumped.

Economies which had undergone significant industrialisation proved to be vulnerable to the recession of the 1980s to very varying degrees. The one or two newly industrialised countries of Asia which kept their external trade momentum going continued to grow without any lasting setbacks and were thus able to cope with their external debt. It was a different story for the large countries in Latin America, which had to cut back on their imports — and hence investment and growth — for several years in a row. In this part of the world, the absurdity of the negative financial transfer between North and South became extremely clear.

Persistent crises led the creditors to look for solutions specially tailored to fit each case. Rescheduling and adjustment financing from the IMF and the World Bank and balance of payments support from the other funders merely bought time. By the end of the last decade, the rule was to treat a debt as a series of bad debts or irrecoverable borrowings (re-

serves in banks and proposals to write off debts), even if the creditors went on receiving interest and failing to translate all the implications of this realisation into practical terms.

We know that there is no real debt crisis any longer. We also know to just what extent delaying tactics can worsen recession. In its time, the debt money brought prosperity to the people who sold capital goods to the developing nations. With the reversal of the world economic situation, it put states in a position to take account of the shortage of foreign exchange and forced them to implement policies to rationalise their finances. In short, it became the 'dirty' money of promises unfulfilled on all sides.

### Export earnings, saving and investment

What have we learnt from situations in which development honoured the pledge of financing? There is obviously a combination of things to take into account here. Some of the conditions which are always necessary, but are never sufficient when taken singly, are set out below.

1. Given the poor initial financial autonomy of economies geared to selling primary products abroad, stable export earnings are essential during the period of transition at least. For example, there is no doubt that the EEC's sugar protocol has sheltered Mauritian sugar producers from fluctuation and drops in prices on the world market since 1975, thereby providing conditions conducive to transforming sugar revenue into industrial investment. It can always be argued that Mauritius would never have had either this change or industrial growth without a dynamic private sector — but the first condition does not rule out the second. The first, however, seems a *sine qua non* of any economic action in the medium or the long term.

2. Development was long seen as the expansion of a capitalist nucleus, so there was a vision of saving as something which would finance development as a reality centralised in the economic sphere. The idea was either to nationalise the main areas of production (so the State could focus a surplus) and/or make for an increase in the proportion of national revenue accounted for by profits (and encourage a concentration of savings in the hands of capitalist businessmen or the

State), or push up interest rates and encourage the development of the financial system (so that saving could be centralised in this sphere), or make informal saving formal by encouraging savers to take it to the banks.

Each of these policies was carried out without producing any lasting improvements in the extent to which the economies could finance themselves. When that capacity increases, the question, ultimately, is to know how the sort of savings behaviour which is useful to development comes about at the decentralised level of the operators themselves (i.e. at micro-economic level). Experience suggests that this trend has more to do with income — and as much with level as distribution. On the one hand, saving from profit may be high when profits are high (or as long as wages are low) and it may go up when saving as a percentage of national income is on the increase (or the rate of profit is going up). On the other hand, saving by ordinary people may expand if wages are not too low and, especially, if several people in the same household (unit of consumption and saving) work and receive money income. On the one hand, there is the logic of productive accumulation in which saving and investment go together and, on the other, the process of monetarisation and increasing wage-earning and wealth of the household (the rate of pay may stay the same) encouraging the development of the sort of popular saving which can be drawn off by banks and savings banks. Overall, nonetheless, the barrier represented by the initial foreign exchange constraint on growth will have been surmounted, and surmounting it is a necessary first stage in small economies with ill-diversified resources.

3. These, then, are some of the trends to be observed when development has kept its promise of financing. But economists only talk about what they are familiar with. Their tools of analysis are tools which are suitable for monetarised economies (and typified by wages, if not trade), whether or not with heavy foreign exchange constraints. This is the framework in which growth and development and saving and investment are defined. Development, by definition, is of course a matter of money. Is it not seen, when any attempt is made to measure it, as a sum of goods and services being bought and sold, or as a flow of money income?○

E.A.

# Can development be measured?\*

by Kees KINGMA<sup>1</sup>

All development efforts should be assessed on their results and impact — be they a government education programme, a private investment in a food-processing industry or a community group improving and managing a local water supply system. To assess and monitor the effectiveness of development policies, one should also be able to compare development levels and trends between countries and between regions. But all this is easier said than done. If we want to measure development, we should first know what it is that should be measured. Should we measure how much money and work hours were put into a development project or programme, how many children were educated, or how much economic output grew? It is usually recognised that development is more than the inputs in the efforts and than growth of economic output. Nevertheless, measurement of development, far too often, does not go beyond measuring income per capita. However, we should not measure the means, but the ends.

## Human Development Report

The UNDP's Human Development Report — an annual publication first published in 1990 — tries to contribute to resolving these questions, first of all by presenting a new perspective on development. It argues that what should actually be measured are levels of 'human development'. Based on the concept of human development, the Reports show how development in all countries throughout the world is progressing, and also what factors affect development and how government policies and other development efforts manage — or fail — to reach human development objectives.

The concept of 'human development' puts people at the centre. Development

should be defined in terms of the quality of people's lives, since people are not only the most important means, but also the ultimate end of development. Human development is therefore defined as the creation and utilisation of people's choices and capabilities. It has two sides. One is the formation of human capabilities, such as improved health or knowledge. The other is the use that people make of their acquired capabilities, for work or for leisure.

A central effort in the Reports is to measure human development. Too often, in the past — but also implicitly by many today — development has been equated with economic growth. Output per capita is still frequently used as an indicator for development. This could lead to major misperceptions. For example, while Brazil in 1989 had a GNP per capita of US \$2540 and Jamaica only US \$1260, we cannot say that Brazil is much more developed than Jamaica. In fact, if we look at human indicators of development, we find that life expectancy is 7.5 years longer in Jamaica; adult literacy is 17.3 percentage points higher in Jamaica; and the child mortality rate in Brazil is almost four times as high as in Jamaica. What the Human Development Reports have clearly shown is that there is no

automatic link between income growth and human progress, and that other aspects of development should be included in its measurement.

## Measuring development

Given the many aspects of human life — and therefore of development — it is not easy to measure development. Many of the different aspects could of course be measured separately. Several indicators are available with regard to health, nutrition, educational attainment, employment, income and its distribution, environmental pollution, housing conditions etc. But assessing development on the basis of a set of indicators is only partially satisfactory. There is a widely felt need to develop a composite index of development, reflecting the overall level of well-being. This is what the Human Development Reports are doing, by presenting a Human Development Index (HDI).

The Human Development Reports suggest that the measurement of human development should focus on three of the most essential choices in human life: a long and healthy life, access to knowledge, and the availability of sufficient resources for decent living standards. For these three aspects of human development the most appropriate indicators are: life expectancy at birth, a combination of the literacy rate and the mean years of schooling, and purchasing-power-adjusted real GDP per capita. The last-mentioned reflects how much, in terms of goods and services, one is able to buy for the income per capita.

**Table 1: Highest Human Development**

| HDI Rank | Country        | Human Development Index (HDI) | GNP per capita in US\$ (1989) |
|----------|----------------|-------------------------------|-------------------------------|
| 1        | Canada         | 0.982                         | 19,030                        |
| 2        | Japan          | 0.981                         | 23,810                        |
| 3        | Norway         | 0.978                         | 22,290                        |
| 4        | Switzerland    | 0.977                         | 29,880                        |
| 5        | Sweden         | 0.976                         | 21,570                        |
| 6        | USA            | 0.976                         | 20,910                        |
| 7        | Australia      | 0.971                         | 14,360                        |
| 8        | France         | 0.969                         | 17,820                        |
| 9        | Netherlands    | 0.968                         | 15,920                        |
| 10       | United Kingdom | 0.962                         | 14,610                        |

*Source: Human Development Report, 1992.*

\* All data used in this article are drawn from the 'Human Development Report 1992', published for UNDP by Oxford University Press. The Report is published in French by Economica, France; in Arabic by the Center for Arab Unity Studies, Lebanon; in Spanish by Tercer Mundo Editores, Colombia.

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Since these different variables cannot be added up, the value of each indicator for each country is first converted into the position that the country has in relation to the best and worst performing country. The income indicator is calculated slightly differently, since the value of an extra dollar above the poverty line is not considered to add as much value to human well-being as the dollars up to the poverty line. A progressively lower weight is, therefore, given to extra dollars beyond the poverty line. In this way, each country gets for each indicator a value between one and zero. Subsequently, the values of these three indicators are added up and divided by three. This leads to values of the HDI, for each country, between one and zero.

The Human Development Index allows countries to be ranked according to how far they have come from the lowest level of achievement and how far they will still have to travel towards the present highest level of achievement on each of the three indicators. In the 1992 Human Development Report, Canada tops the list with an HDI value of 0.982, as is shown in table I. Table II shows that Guinea is at the bottom of the list of 160 countries, with an HDI value of 0.052.

It could be argued that for measuring human development many more variables should be included, to obtain as comprehensive a picture as possible. Indeed, nutrition, political freedom, personal security and a clean environment are also among the important aspects of human development. However, there are several basic arguments why the HDI has not yet included more components. For example, there is a strong case for simplicity. With the way the present HDI is calculated, one can easily see how it is constructed, how sensitive it is to a change in one of the variables and what its limitations are. Adding more variables would also complicate the decisions on weights given to each of them. Secondly, for several indicators, data are not available for all countries. Thirdly, many related indicators show a high correlation with the indicators now used in the HDI. These would, therefore, not add much to the information contained in the index. And lastly, some of the other aspects of human development are very difficult to quantify. As an example, it still requires much debate and methodological work to develop a universally accepted indicator

for political freedom and other human rights.

What does the Human Development Index show? The full list of all countries ranked by HDI is annually published in the Human Development Report. Tables I, II and III show part of the total list

of countries. They clearly reveal that the ranking according to the HDI is quite different from a GNP per capita ranking.

This means that economic growth translates into human development in differing degrees. The GNP per capita in Canada is only two thirds that in Switzer-

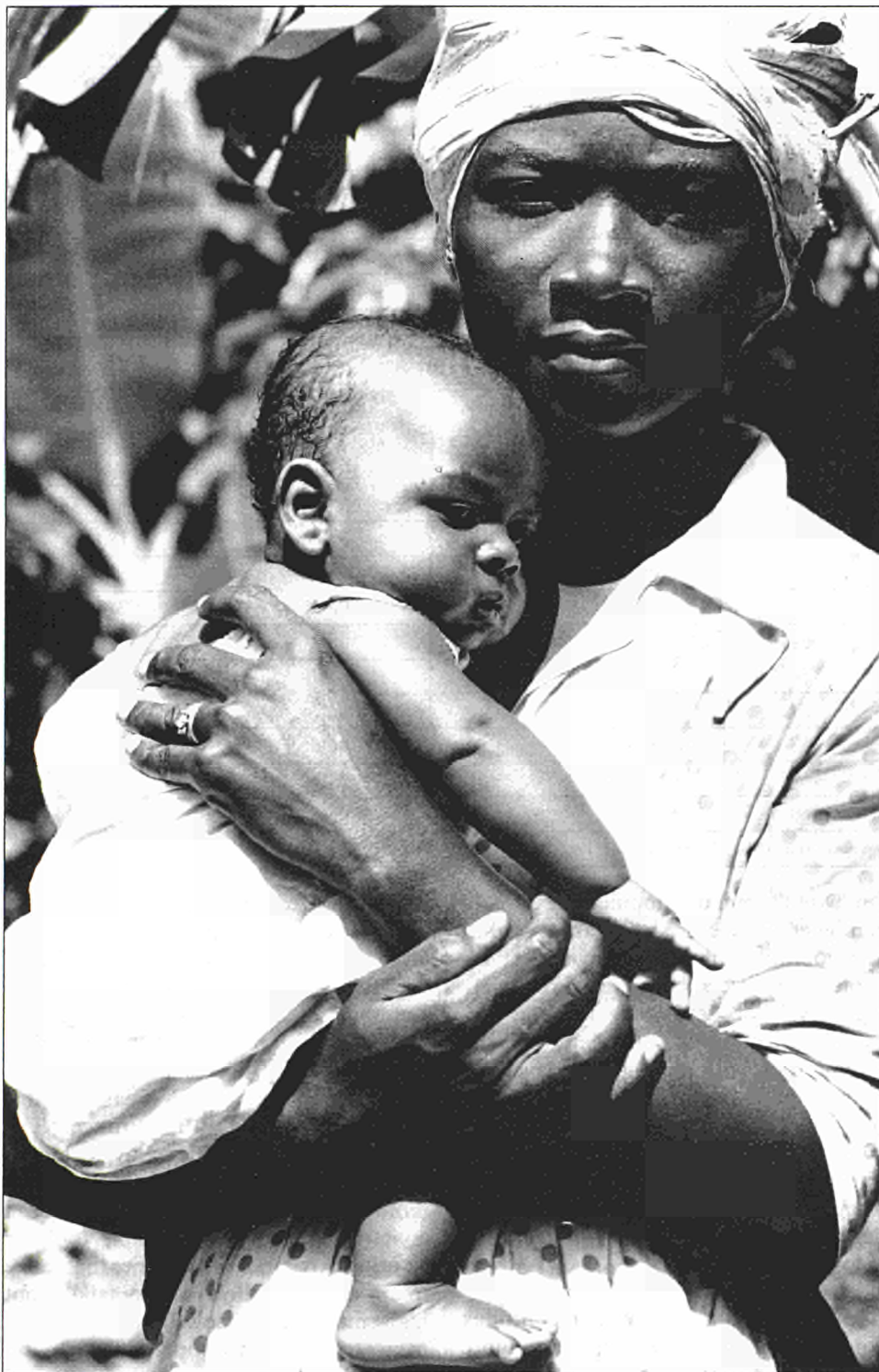


Photo Jamaica

**A Jamaican mother and her child.**

*While, in 1989, Brazil had a GNP per capita of \$2540 and Jamaica had \$1260, the 'child mortality rate in Brazil is almost four times as high as in Jamaica'*

**Table 2: Highest Human Development among 'Developing Countries'**

| HDI Rank | Country           | Human Development Index (HDI) | GNP per capita in US\$ (1989) |
|----------|-------------------|-------------------------------|-------------------------------|
| 20       | Barbados          | 0.927                         | 6,350                         |
| 24       | Hong Kong         | 0.913                         | 10,350                        |
| 25       | Cyprus            | 0.912                         | 7,040                         |
| 29       | Uruguay           | 0.880                         | 2,620                         |
| 30       | Trinidad & Tobago | 0.876                         | 3,230                         |
| 31       | Bahamas           | 0.875                         | 11,320                        |
| 34       | Republic of Korea | 0.871                         | 4,400                         |
| 36       | Chile             | 0.863                         | 1,770                         |
| 40       | Singapore         | 0.848                         | 10,450                        |
| 41       | Brunei Darussalam | 0.848                         | 15,390                        |

Source: Human Development Report, 1992.

**Table 3: Lowest Human Development**

| HDI Rank | Country       | Human Development Index (HDI) | GNP per capita in US\$ (1989) |
|----------|---------------|-------------------------------|-------------------------------|
| 151      | Somalia       | 0.088                         | 170                           |
| 152      | Guinea-Bissau | 0.088                         | 180                           |
| 153      | Djibouti      | 0.084                         | 180                           |
| 154      | Gambia        | 0.083                         | 240                           |
| 155      | Mali          | 0.081                         | 270                           |
| 156      | Niger         | 0.078                         | 290                           |
| 157      | Burkina Faso  | 0.074                         | 320                           |
| 158      | Afghanistan   | 0.065                         | 320                           |
| 159      | Sierra Leone  | 0.062                         | 220                           |
| 160      | Guinea        | 0.052                         | 430                           |

Source: Human Development Report, 1992.

land, yet human development in Canada is higher. Table II<sup>4</sup> shows that several 'developing countries', with modest incomes, have been able to reach relatively high levels of development. Nine 'developing countries' are among the 40 countries with the highest levels of human development. At the bottom of the list (Table III), differences between countries are often small, but even there one can see that some countries have been more successful than others in human development, despite low levels of income.

Use of the Human Development Index could also contribute to a new and more useful categorisation of countries. The current use of words like 'Third World', 'developing country', 'industrial country' or 'developed country' makes less and

less real sense. For example, how can we continue to call Albania (with an HDI of 0.791) and Romania (with an HDI of 0.733) 'industrial countries' and the Republic of Korea (with an HDI of 0.871) a 'developing country'? Industrial output actually makes up 45% of the GDP in the Republic of Korea, while it is only 29% of GDP in France. The breakup of the former Soviet Union makes this problem of definition even more relevant. The way the HDI has been constructed makes it a usable tool for creating categories of countries that make more sense. It allows us to talk about high, medium and low human development countries, without depending on former colonial status or other outdated and irrelevant criteria.

In several countries the methodology of the HDI has already been used to

reveal differences in development within countries. These efforts show considerable contrasts. The HDIs for different geographical regions in the same country may show entirely different levels of human development. For example, of the 67 provinces in Turkey, 18 fall into the category of high human development, 42 are in the medium category, and seven are classified as having low human development.

The main cause of these differences is a disparity in literacy rates. A similar calculation in India for 17 states indicates medium human development in two states and low human development in the rest.

### Further improvements in measurement

In a very strict sense, development cannot be measured. Any index of development can always be criticised. Development is too complex to be comprehended in a single figure. The HDI has, however, shown that it is possible to construct a comprehensive index that provides a good indication of the level of development, bringing social as well as economic indicators together. Development levels can be compared between countries and between regions. And the methodology can also be used to show development over time.

The most important precondition for improving the measurement of development is, actually, an improvement in the availability of social statistics, in detail and for all countries, regions and population groups. Economic data appear to be much more frequently collected than social data. If social data were to become available with similar frequency and reliability, this would allow for much better monitoring of development policies and processes. The quality of the index is dependent on the accuracy of the data.

Improvement in the HDI itself also has to continue — searching for an increasingly satisfactory yardstick of development. There are still many challenges. Distributional issues should eventually also be reflected. The Human Development Reports have already published separate indices that take income distribution and disparities between men and women into account. In future Human Development Reports these improvements will be suggested and developed. ○

K.K.

# Development and poverty: the case of Latin America

by Luis LOPEZLLERA \*

The 20th century has experienced immense advances in science and technology, conjuring up a picture of a high-speed, mutating re-creation of the human condition. But, alas, at the end of the 20th century we also have a wide-screen view of social upheaval, with war, famine, incurable disease and the destruction of culture and the environment all suggesting the perpetuation of evil, pain and death in mankind.

What the politicians, philanthropists and social leaders have to say is dominated by two complementary yet at the same time, contradictory issues, development and poverty.

After 30 years, working alongside the poor in a heartbreaking struggle against poverty, I can point to nothing but failure. The rich are richer and the poor are not just poorer but there are more of them and they have now been reduced to a state of utter destitution.

Development, once the key concept and a remedy which has been put forward for decades, is in serious need of revision. This was what emerged from the colloquium, 'Autopsy of Development', which was organised by the ESPACIOS network along with various Mexican groups in 1990. It took place in conjunction with similar events in other parts of the world — the International Group on Grass Roots Initiatives (IGGRI), People's Plan 21, the Centre Lebret's Faith and Development scheme, the Other Economic Summit and so on.

## Yesterday

At the end of World War II, a dominant power, the leading power of the Western world, and a contesting power, a mixture of Europe and Asia, struggled to obtain mastery through a balance of nuclear terror in the North and control of the peoples of the South. For four decades, the two blocs had contradictory bywords — 'Development' and 'Revolution'.

Since the recent and surprising disintegration of the USSR and the debatable outcome of what has often been bloody revolution in the Third World

(even in countries which have seen popular participation such as Mexico, Cuba and Nicaragua), the ideologies of State control and bureaucratic central planning, with the manipulation and repression which go with them, have lost all their credibility.

Although such a failure is understandable in a context of unremitting cold war and expanding capitalism, the frustrations of the avant-garde still have to be paid for with the blood and sweat of the people. No less serious is the failure of the present one-pole system to build a poverty-free world. The real threat and the phantom of Communism have disappeared, but poverty is still spreading and all the propaganda about progress cannot conceal those groups whom society has abandoned. Even the middle classes in the First World are beginning to face the prospect of unemployment. Development projects to date, based on focusing wealth and doing a more or less skilful job of sharing out limited surpluses, have done nothing about poverty.

Europe's reconstruction plan and its own experience of aid to populations in the aftermath of the war were transposed to the Third World so that it could be 'developed' and 'decolonised' at the same time. The reference point here was the industrialised nations' economic and political model, the goal for nations deemed to be 'under-developed' or 'backward' — although they went on being suppliers of precious raw materials. It never occurred to anyone that these peoples and nations might have different values from those of the dominant races, and any resistance, opposition or attempt at seeking an alternative was seen as an attack on the security of the bloc and punished as such. The well-known case of Chile is an eloquent example. In the case of Mexico, although the 1940s were years of heightened nationalism, with the expropriation of oil, which was in foreign hands, they also saw the end of popular mobilisation, the consolidation of the Party-State, the neutralisation of agrarian reform and the dismantling of industry.

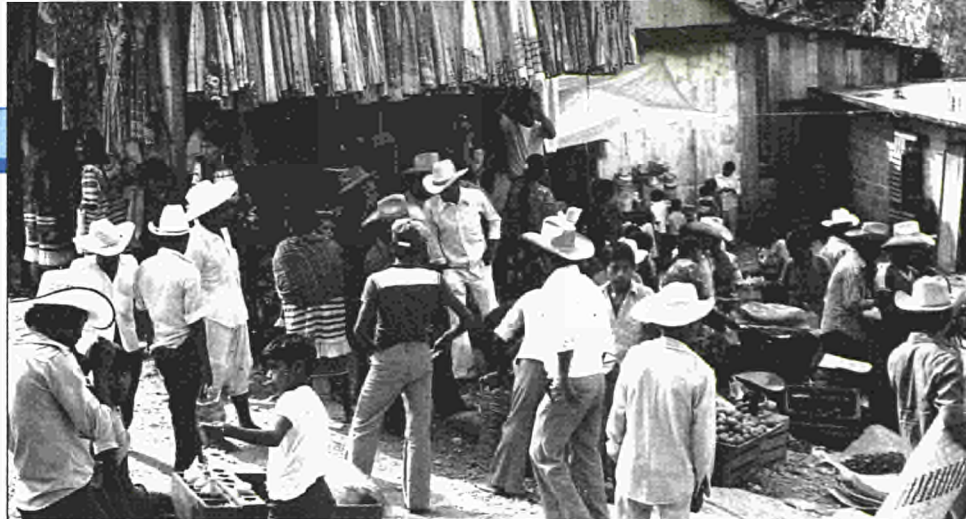
In the 1950s, urban and rural poverty gained ground despite the revolutionary

claims of the new leaders. There was no thought of launching specific projects to 'develop' the poor, because people still firmly believed in the benefits of macro-projects. The Church, pushed to the sidelines, worked with the Mexican Social Secretariat, mainly promoting savings and credit cooperatives to help the very poor, whose numbers, despite official optimism, were steadily rising.

The first development decade which the USA promoted in the 1960s coincided with the urban revolution whose antidote was the USA's Alliance for Progress. Throughout Latin America, support went to big trade union confederations and cooperatives, in the framework of a reformist State and a market economy. Marginality was tackled by means of micro-projects, with a view to integration in the general system. Grass-roots organisation was recognised as a strategic element by the (mainly Christian) humanitarian organisations — Father J.J. Lebret's 'Economie et Humanisme' inspired the 'Populorum Progressio' encyclical and there were DESAL in Chile, CIDSE in Europe, international workers and peasants movements such as JOC and JAC. Thanks to popular involvement and union pressure, 'Development through Reform' is still fresh in our minds. But involvement at the grass roots, combined with action by civil and political groups and aimed at bringing about structural reform, provoked military dictatorships all over South America. The massacre on the eve of the Olympic Games in Mexico in 1968 will not be forgotten.

In the 1970s, the second development decade, the radicalisation of popular movements in the face of violent reaction led to both politicisation of the grass roots and widespread popular mobilisation. Power was taken by any available means. Young people were inspired by the actions of people such as Che Guevara and although the Americans withdrew from Vietnam, there was then the Pinochet coup d'état as well as violent repression in Central America. The majority of pressure groups in Mexico adopted Paulo Freire's awareness-literacy method. Guerilla warfare and radical party cells came to the grass-roots action groups. This was the decade of mobilisations which worked, except in the case of Nicaragua. But as soon as the decade came to a close, 'Development through Revolution' led to exile, prison, torture and death or to interminable, low-

\* Abridged version of article sent to The Courier.



*A poor area in Mexico. 'After 30 years of heartbreaking struggle against poverty... the rich are richer and the poor are not just poorer; there are more of them and they have now been reduced to a state of utter destitution'*

intensity warfare involving constant attrition, in which the innocent paid with their lives, as in El Salvador, or to a provocative, people-based régime which was surrounded, attacked and ultimately ground down, as in Nicaragua. The lesson was that violence benefited the most powerful and that 'the end justified the means'.

In the 1980s, economic recession, international debt and the adjustment enforced by the financial institutions hit the weak harder than ever before. This was development's lost decade, when survival was the poor's principal strategy and concern. At the same time, the leaders of the most advanced industrialised countries began to wonder about the destruction of the environment. There was talk of 'sustainable development' to signify respect for nature for the benefit of future generations. 'Development' was linked to 'the environment', resources were channelled in such a way as to conserve nature and the main concern was the environment rather than the people who lived in it. The rich fretted about the survival of the planet, while the poor struggled for survival.

In Mexico, after the 1985 earthquake, the grass roots development organisers, worked with the population, and created more and more non-governmental organisations for development, whose dynamic attitudes surprised the Government.

### Today

The war in the North came to an end in 1945, while the (hot or cold) war began in the South — and is still going on. Peace and well-being are still utopian fantasies for the poorest countries, except in enclaves surrounded by security. Once, anything that moved was suspect, subversive or Communist and was put down accordingly. Now, poverty poses no

threat of war for the North and its only interest is as a provider of raw materials or an exotic tourist attraction, but it has to be relieved to prevent uprisings and looting of the sort experienced by Brazil, Venezuela and the Dominican Republic.

In 1969, the USA won the race for supremacy in space when an American set foot on the moon. Since then, the conception of the world has been changing. People are becoming aware of the one-ness of the planet and the gradual bending of the old sovereignties of the nation-states to new economic, technological, media and military forces which have no respect for frontiers. With the international-scale production of goods manufactured to meet needs created largely by the media, transnational companies, some of them more powerful than 100 States combined, are the product of this situation — whatever one thinks of the soothing noises which are made about unremitting competition taking place, nevertheless, in conformity with 'the laws of the market'. Development is now linked to the values of democracy and human rights in the framework of the nation-state — which has not managed to affect the new forces which are changing the world. The control of broadcasting facilities by the media is more important than control over the official, infrequent votes of the people. There is no valid ideology other than a faith in the market which harnesses the attractions of consumption to dilute the power of the citizen. And if the nation-state is not enough to sustain a system in international competition, then region-states have to be created, such as we are now seeing with Europe and North America, each united to stand up to the challenge of Asia. The outcome of all this is that mankind, fearing exclusion, is becoming standardised.

In 1992, 500 years after the Spaniards arrived on (discovered — conquered — colonised — exploited) our continent, the whole dominant system is preparing to launch a new era with a new human prototype, the astronaut, committed to the conquest of the solar system over the next 500 years.

We have the astronaut syndrome on one side and the monkey syndrome on the other. How many people have no vocation for the sort of expansion from which they are already excluded? They are getting round the law of zoology, but submitting to the law of the jungle, whereby those who fail to attain a basic level of excellence are condemned to segregation — similar to many versions of apartheid — and, ultimately, extinction.

### Tomorrow

The Larousse dictionary says that, in photography, i.e. the field of images, 'developing' and 'revealing' mean the same, the idea being to bring out after exposure (develop) the latent image (reveal). In the past, 'development' involved the image revealed by exposure to the North. The advancement of the dominant societies was the image which had to be followed if everyone was to make progress. Today, the crisis of this model, which can only be all-enveloping, conceal the true state of affairs and project minorities into space, calls on us to make an effort for tomorrow, to reveal the untapped potential of the peoples of the South.

This year, we are celebrating the so-called discovery of our continent. Our challenge is to 'rediscover and reveal' ourselves. There are more than 10 000 different traditional cultures in the world today which have been reduced to the state of exhibits in a museum, living for the tourists, but otherwise ignored and more or less wiped from the face of history. And who knows how many new cultures thrive in the towns and amongst the youth of today, combining both the particular and the universal? Cultures which resist being absorbed into the surrounding uniformity, defy the dominant model focused on economic accumulation and try to find alternative forms for a human economy in which competition and conviviality can be combined — a balance which the modern world has lost but which could still be found again in peripheral urban or peasant communities in the countries of the Third World. ○

L.L.

## Can development be left to the economists?

*A talk with Régis Mahieu and Mamadou Koulibaly\**

*A common criticism is that the approach to development is over-economic. Indeed it is hard for some economists to find room in their thinking for the anthropological view — and the holders of the anthropological view often return the compliment.*

*We talked to a European and an African economist about the need for economic anthropology revisited (a subject dealt with in ACP-EEC Courier No 127, May-June 1991, pp 103-104 and cover page three), asking both: Can the approach to development be left to the economists?*

**MAHIEU** — Of course it can't. Early definitions insisted on the multidimensional nature of development. But the multidisciplinary approach, which can easily be a rejection of economism and the methods that go with it, may overlook economic considerations, although overlooking economic considerations may mean overlooking one of their main concerns, which is to reveal demand. The first aim of development is the greater well-being of the individuals concerned, but the preferences of those individuals must be known first, so an economic approach to development should put priority on revealing, respecting and meeting this demand for development — something which, to my mind, has not been done at all over the past 20 or 30 years.

**KOULIBALY** — Putting the question like that is tantamount to imagining that economists have been the only ones to have an approach to development. But there are development professionals who are not specifically economists and who have taken it upon themselves to explain to developing countries what development is all about and to suggest to African Governments what they might do to achieve it. We are now in a technocratic dictatorship of sorts, in which the World Bank, the IMF and others have their decisions as to how particular Governments should go about solving particular development problems wrapped up in neatly packaged programmes. They are not specifically economists.

They are teams of developers and, if they are the people you mean, it would be better not to leave development to them, because they have done enough damage to the African economies as it is. There are other specialists who are not just economists either, who see the question of development as having many complex aspects over and above the value of GNP and who think that there is an interplay of psychological, subjective and non-econ-

freedom experienced by all citizens in whatever they do. They include economists, but economists who do not claim the exclusive right to bring about development as a whole. On the contrary, they think that their own approach might well benefit from contact with other subjects — provided that those subjects leave them room to include what they think is needed for their action, even if that means the parallel subjects also including economic results.

► **THE COURIER** — *Does the theory of the two delaying factors, Third Worldism and old-fashioned economic liberalism, actually help explain poor development?*

**MAHIEU** — This theory combines the Third Worldist idea, according to which the Third World is behind primarily for socio-historical reasons, colonialism especially, and the old-fashioned economic liberal idea, according to which it is behind because of, say, too much State involvement or not enough market rationality. They are both very old ideas and, to my mind, very outmoded ones, although that is not to say that they should be rejected out of hand. Third Worldism was the most important development theory for a very long time. Like the



*Mamadou Koulibaly (left) and Régis Mahieu*

omic factors (economic, of course, in the sense of measurable and material) in development. These people are concerned about freedom of opinion and democracy and people taking responsibility for their own future and so on and they see human rights, in practical terms, as the actual

economic liberal theory, it was based on the general idea of a delay in accumulation — supposedly the same in all Third World countries — and, having a fairly blanket approach to under-development, it did not leave much room for anthropological considerations. It is enjoying a

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come-back at the moment, especially in a number of political systems in the Third World, which often use its vocabulary (periphery, deterioration in the terms of trade and so on), possibly to put up a better smoke screen to mask the problems they are encountering as States. Although the idea was important when it came to making people in the post-independence era understand the problems of colonisation and the various forms of imperialism and neo-imperialism, it was unable then to detect the new forms of imperialism. The Third World is in fact now facing a gigantic financial cartel, controlled by the funders, who have formed special committees to coordinate external aid and dictate the most intimate budget choices.

Let us now look at the old-fashioned economic liberal idea. Why does this keep coming up, particularly when the World Bank or the International Monetary Fund is under discussion? Well, these institutions have a bureaucratic monopoly with a logic all of its own (which a number of Third World economists have done a good job of analysing) and they often recruit economists whose main concern is to justify their training, some of whom can only ape the people who taught them. Hence the keenness on old-style economic liberalism and the inability to hold it up to question, even with the presuppositions of contemporary liberal theories. But by refusing such contributions, they are depriving themselves of the vital methodological tools they need to analyse the economic operators' reactions. If they used the rational anticipation theory developed by the Chicago school, for example, they would be able to clarify the potential which the State apparatus in the developing countries has for rationally anticipating development offers. One day it is the project approach and they all talk about the project approach and, the next day, they hear it is the programme approach so they all talk about the programme approach instead! So they know how to dress up development applications to fit in with the current language of the developers — who are unable to interpret the phenomenon, because they discount contemporary theory. So Third Worldism and old-fashioned economic liberalism are time-honoured ideas, but one is incapable of seeing the neo-imperialism of the international agencies and the other does not detect the tools of self-criticism in contemporary liberalism.

**KOULIBALY** — The two ideas are based on the same thing — that there is a difference between developed communities and non-developed communities. The Third Worldist theory will explain this difference by the historical effect of the contact that the under-developed countries have had with the West and the economic liberal theory will try to apply the institutional experiences of Europe in under-developed economies. But they are only part-explanations, because they only explain the effects of economic development and fail to refer to the methods by which Europe has developed. Europeans have not set up single governments and single parties. They fought to head off anything that might be a single party. The politics, economics and social affairs of European countries are polycentric, in contrast with those of most developing countries, where they are full of monopolies. Curiously enough, old-fashioned economic liberals and Third Worldists alike want to see strong States which are able to manage structural adjustment and set up policies which will stabilise and relaunch their affairs. But behind all this, I believe there is bound to be the image of a well-intentioned State, an established dictator who knows the truth and forces it on other people. And that is what we should fight the hardest, I think, in both ideas.

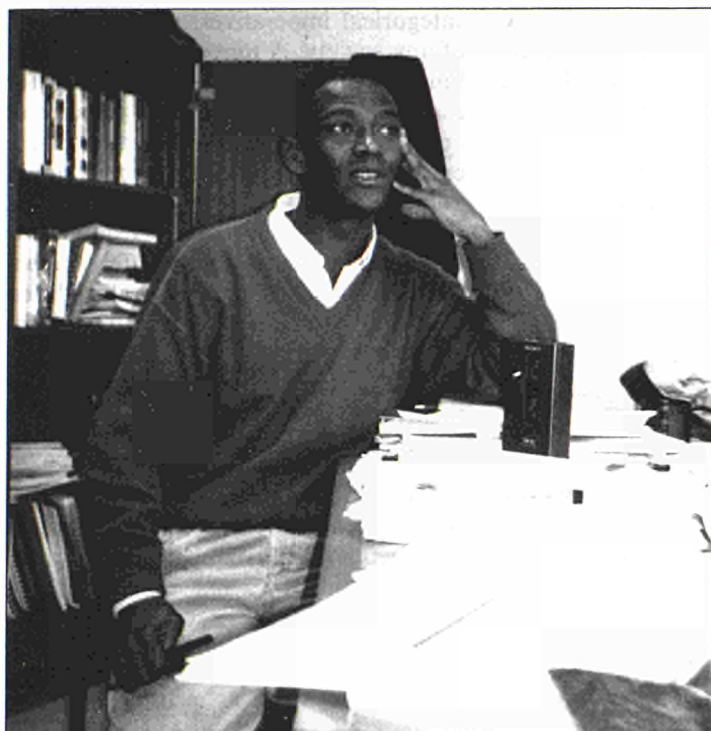
► **THE COURIER** — *Isn't under-development something which some societies are deemed to have because they have been measured with, say, the statistical or economic tools of other societies?*

**MAHIEU** — May I say a few words about my experience as a statistician who has run a number of surveys in the developing nations. It has often been supposed that societies in the developing countries were very simple and that all that had to be done was apply one or two standard concepts of statistical investigation or national accounting. But they forget, to paraphrase Marx, that it is our western societies which are very simple in the way they work. Societies in the Third World are very complex, but, alas, they are often handled with crude or out-moded tools. In macro-economics, isn't it odd to see a whole series of developers suggesting planning methods that the industrialised nations dropped 20 years ago? Economists from the North told themselves that it wasn't such a bad idea for the under-developed after all and lost no time in becoming planners again.

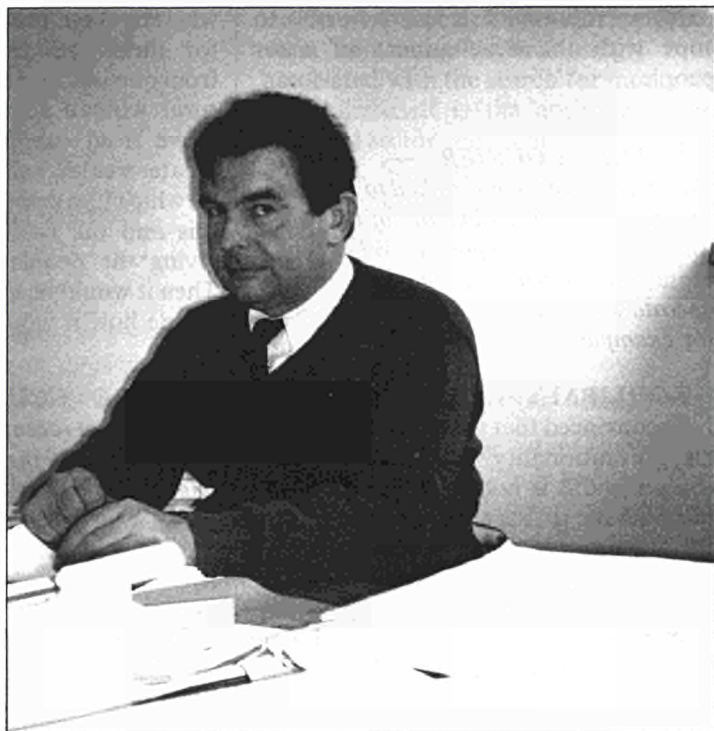
Many statistical problems stem from the existence of what you might call a North-South division of statistical work. For example, the Africans are specialist 'figure' workers. They conduct the surveys and then send the results back to economists from the North, who are apparently the only ones who can understand them. The latter tend to judge the whole of the Third World by the same yardstick, although the same questions can be interpreted quite differently in different cultural contexts. For example, I have seen specialists in highly sophisticated econometry centres baffled at the unbelievable size of African families just because they had never realised that an African's notion of child may include anyone younger than he is, particularly when it comes to age brackets. It is not a question of under-developed data processing and under-developed software. The thing is to take notice of the way individuals react, particularly when collecting data from them, so, on the contrary, the most sophisticated techniques which can cater for the complexity of the societies under analysis are needed when anthropological aspects are included in statistical enquiry in this way.

I do not believe that the problem of under-development emerges when you apply the instruments of other societies to societies in the Third World. There are universally rational instruments which will never change, but they have to be applied to societies which perhaps exhibit particular behaviour, especially when it comes to concepts of life and, above all, time. Statistics and anthropology constitute an entirely new and increasingly common approach. The Paris school of statistics, for example, has just set up a course in anthropology for statisticians, under pressure from Edmond Malinvaud. There are some extraordinarily good universal instruments (a computer only takes an hour to do the first sorting of a survey), but, generally speaking, it is not clear that the basic problems of data collection have not been solved. So it is essential to have universal instruments and an understanding of diversity in measurement.

**KOULIBALY** — Is under-development merely what emerges when you measure some societies with other societies' instruments? I don't think so. Under-development, in fact, is what has been set up as an economic policy in the undeveloped countries today, ever since



*'What is needed is a polycentric society in which the people are free, a model of society which does not invite politicians or governments to set up anything, but enables the people to make the most of their happiness and to seek it with the means at their disposal'*



The Courier

*'There is one logic and it is, by definition, universal. Talking about Western rationality is tantamount to holding the rationality of non-Westerners, the 'under-developed', up to question'*

the colonials left, ever since independence was proclaimed. The results of the economic policy applied for 30 or 40 years are called under-development. The instruments used have not been those of European or of other societies. They are the instruments of those who think that they can necessarily create other people's happiness. They are the instruments of a brand-new form of dictatorship. In the early stages of development policy, in the 1960s, we told the under-developed that we were thinking of the Africans and that their economies had to be got off the ground again. At that stage, this meant broadening demand by bringing in places which were still living in the international monetary system with a subsistence economy. Unfortunately, this sort of relaunching through demand could not be done without free trade and a right to private property. But neither of those things existed.

The story now is that cultural and political adjustment programmes will be called for after the structural adjustment programmes. We move from structural adjustment programme to structural adjustment programme simply because, behind them all, is the physical strength to apply them. Instead of thinking about

dropping the physical strength bit that outlines every framework of action, people are using it more and more, on the assumption that its powers of success will be improved. But nothing but under-development is the result. People want to fight poverty, but they do not use the instruments which the Europeans and the rest of the developed world used to fight it. Targeting development programmes on food or health or education will not help if the citizens do not have their rights. What is needed is a polycentric society in which the people are free, a model of society which does not invite politicians or Governments to set up anything, but enables the people to make the most of their happiness and to seek it with the means at their disposal.

► **THE COURIER** — *Does the emphasis on economics inherent in the instrumental rationality of the West, which makes the economy an autonomous field of social life, make it possible to handle the development of other people?*

**MAHIEU** — Is it in fact the case that the economists' current approach is to separate the economy from the other areas of life in society? I don't think so.

On the contrary, the current approach of many of them is to devise a theory of social interaction with the help of economic theory. It is an attempt to analyse such diverse areas of society as, say, relations between the generations, matrimonial choices and politics, with the help of economic method. The fact that economists are now spilling over into areas hitherto reserved for other subjects attracts complaints about what might be called the 'imperialism of the economy'. Although this of course should be discussed in greater detail, I still think that it is important to underline one major characteristic and that is that, unlike the economy of the 19th century, today's economy is highly social. But does that mean that it can help us get to grips with other people's development? You mentioned Western rationality which is apparently part of the science of economics, but, for someone who also teaches logic, it is meaningless to talk about Western rationality as opposed to African or any other kind of rationality. There are not many logics. There is one logic and it is, by definition, universal. Talking about Western rationality is tantamount to holding the rationality of non-Westerners, the 'under-developed', up to question. If the economy is based on this

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universal rationality, it has to be able to cope with the development of other people.

► **THE COURIER** — *Professor Koulibaly, we have just talked to Professor Mahieu about the rationality of the people who analyse development. What about those who should be the development operators, the people of Africa themselves, for example?*

**KOULIBALY** — Unlike other people, I am convinced that these populations do display rationality in their economic choices and it is not up to other people, technocrats, to create their happiness for them. I, as an economist, do not have all the data I would need to decide for them. If I recognise that fact, I become more modest and give these people, individuals and economic operators, back the possibility of deciding what is good for them. The fact that they are illiterate does not mean that they have no judgment. They know what wealth and poverty are. They do not have children just because they want to go forth and multiply, but for very specific reasons which I shall use my science to try to understand. The fact that I credit them with rationality does not mean that they know it all and cannot get anything wrong. I discount the idea of one rationality for the West and another for the people of Africa. They are all people and, as such, they have reason. Those who talk about the need for cultural adjustment for Africa see Africans first, perhaps, before seeing people. They believe that they just have to alter their culture a little bit and they will conform to the traditional ideas of man. Things have to be put right.

► **THE COURIER** — *Professor Koulibaly, you have just stated the theory of the economic rationality of the African peoples. Can we invent a practical case, do you think? Suppose you were a development practitioner and running a rural development programme in a particular country with the aim of shifting the people from subsistence to earning money and you came up against the problem of these people telling you that they were doing very nicely thank you and were not at all interested in living on anything other than a subsistence basis. What would you do?*

**KOULIBALY** — All I could do is create an institutional framework

whereby these people really could decide for themselves without any dictating from outside. Since we are talking about a rural African community which has to move from subsistence to, let us say, greater wealth, I should create conditions in which the community could achieve this and the best conditions would be giving the people deeds to their land. Then it would be up to the community to decide how it would use the land.

► **THE COURIER** — *Professor Mahieu, in a recently-published book, you have underlined the importance of reconciling economics and anthropology. Can you tell us what new economic anthropology is and how it can help us understand the Africans' economic behaviour?*

**MAHIEU** — Economics and anthropology are not opposites, particularly bearing in mind that, before being a discipline, anthropology is an attitude which involves recognising the importance of man and of human behaviour. If economic analysis of development has been little concerned with anthropological considerations so far, it is because it has been at a macro-economic level above all. Aggregates and macro-economic variables were the interesting thing, not people. In an anthropological economy revisited, the starting point is different and general constraints which affect the national economy as a whole are no longer the basis. The important thing now is to see how individuals internalise particular constraints. Poverty, for example, ceases to be a global or macro-economic phenomenon. Individuals the world over come up against the constraints of poverty and they all try to cope with them, but their responses are strictly individual, because every individual has his own agenda or timetable. So our idea of the macro-economic approach to development is that macro-economics may help give a better understanding of the way individuals internalise social constraints and the strategies they develop to cope with them.

This brings us to a second thing, to our mind a fundamental aspect of economic anthropology, and that is the combination of the universality and otherness of humankind. If you are dealing with humans, then they are universal humans, not super-humans or sub-humans or standard humans or anything else. There are universal men with what Kant called

categorical imperatives, the imperatives of any society. A universal norm of this kind at economic level would be, for example, the question of how to produce and reproduce. But this assertion of the existence of universal norms should immediately be completed by the idea that they will be applied very differently by different societies and different people. Clearly, in a society of oral tradition where the aged have far more power, the norms are likely to be applied differently from in a society where the written word is paramount and young people might perhaps be more important.

So that gives you some idea of what economic anthropology revisited might be. It would just mean balancing universality and otherness and seeking methods which recognised the fact that an underdeveloped human being is a human being like all the others and not a sub-human and that he too is entitled to an individual approach because he is an individual. Asserting methodological individualism does not mean taking the part of the individual against society, but seeing how the individual develops his own strategy in collaboration with other individuals. Development, in the final analysis, is knowing how to develop the well-being of individuals, in the light of their preferences and their social interaction.

► **THE COURIER** — *Professor Koulibaly, what do you think is the most important thing in a new economic anthropology?*

**KOULIBALY** — The big thing, I think, is the fact that the individual is back as the centre of decision-making, as the subject of decision and as a development issue. All of a sudden, what at first sight seems to be the weight of culture turns out to be the result of a free choice by the people themselves. So the African community spirit is no longer proof of a highly developed form of altruism or a brake on development. It is just a response to a number of particular constraints. If the Western model is felt to be worthwhile, then it may be possible to chart in the essence of Western development the point at which the pattern of decline in Africa can be reversed. I believe that point to be in the freedom and democracy that can be explained thanks to methodological individualism.○

Interview by Dominique DAVID and Johannes WEDENIG



## The informal sector: development at the grassroots

Development debates in recent years have seen the informal sector condemned in many quarters as a spoiler, a chaotic parallel or underground market acting like a parasite on the national economy.

That this criticism emanates mostly from structural adjustment enthusiasts should perhaps come as no surprise at a time of overwhelming desire to see health restored quickly to the economies of a large

number of developing countries. Structural adjustment is increasingly being associated with the search for modernity which in itself is the antithesis of an informal sector rooted in tradition. Such criticism, however, tends to justify the long-established government attitude of total neglect of the sector, despite its many virtues — its dynamism and its potential as a vehicle for realistic economic development.

### Part of a larger debate

It is, no doubt, important to point out that this negative attitude springs from a conception of development which holds that the key to economic growth lies, above all, in the international market place; that a country seeking to develop has to produce enough goods (in quantity and quality) to earn the capital it needs for its economic development.

While not disputing the validity of this premise, opponents see it as putting the cart before the horse, that the developing countries are generally being required 'to run before they are able to walk', which explains the difficulty of development. In their view, development should mean, above all, the search for a sound economic base that would enable a country to enter profitably the international economic arena.

The debate therefore is whether development should, first and foremost, be autonomous and self-centred or whether it should be outward-looking and export-oriented, concerned more with such macro-economic indicators as the balance of payments and balanced budgets than with basic social and economic well-being, without which it is impossible to achieve economic growth.

It is a debate that has been extended to the issue of the debt burden which has severely constrained development in recent years — whether governments should concentrate more on dealing with internal debts to remove blockages and stimulate domestic economic growth, which will facilitate the settlement of external debts, or on repaying the latter now to replenish the coffers of foreign lenders in order, as some would nicely put it, to safeguard the international financial system.

It is against this background that the debate on the role of the informal sector



*A young tinsmith in Niger fashioning a water-can*

should be viewed. Primarily an internal phenomenon, the sector fits in with the endogenous criterion which, everyone agrees, is the best avenue to development.

The informal sector in the Third World is linked to the problem of rural exodus, the cause of which can be traced not only to rapid population growth but most especially to the disruption wrought on the traditional social and economic fabric of many countries by western influences: the introduction of western education and the loss of traditional values, the establishment of a modern economy and urbanisation.

The informal sector appeared in Africa in the 1960s when rural migration began in earnest. This was the independence decade, when large numbers of people were attracted to the rapidly-expanding and glittering cities by the prospects of employment in the modern sector of the economy. A great number were disappointed but found refuge in a broad range of marginal activities: in petty trading, tailoring, shoe-making mending and -shining, radio and electrical works, vehicle repairs, carpentry, transportation, manufacturing of household goods and farming tools, bricklaying and a host of others.

### Characteristics

Although urban-based, the informal sector is in reality a transplantation of rural skills which, on closer examination, are revealed mostly as skills of the old social order of occupations handed down from generation to generation. Its socio-cultural nature is evident. Indeed it should come as no surprise that the sector is characterised mainly by a sense of solidarity and kinship, and this is where its dynamism lies.

The phenomenal expansion of the informal sector in recent years has been highlighted in various reports by the International Labour Organisation following in-depth studies in several countries. The reports have enabled its main characteristics to be clearly defined thus: it is unstructured, i.e. segmented, made up of micro-units of between one to ten persons and low-income. Between 50-80% of activities are in the commercial sector.

Its greatest virtue is that it creates jobs, accounting for between 50-70% of total employment in all the countries studied by the ILO, relieving unemployment

pressures that otherwise would create serious political problems.

The informal sector, however, is characterised by a high rate of business failures, because of very low capitalisation, and a lack of equipment, technology and managerial ability. The main source of capital is usually the personal savings of the proprietor of the business (70-95%) and family contributions. Access to finance in the formal sector is difficult. Labour is normally provided by members of the family or apprentices, and sometimes by poorly paid wage-earners. The manufacturing units use rudimentary equipment and bosses are generally not highly educated and have often acquired their skills through apprenticeship. Productivity is, not surprisingly, very low and returns on investment small, allowing mainly for the simple reward for the strength of labour rather than of capital.

### A stage in transition to the modern economy

These difficulties notwithstanding, and although the activities do not enter into national accounts, the informal sector already is believed to represent about 60% of overall economic activity in many countries. In some, a high level of interaction between the informal and formal sectors has been achieved, the links being heterogeneous, dynamic and creative.

The informal sector has been criticised for being a haven for tax evasion. It is argued that this is harmful to the formal sector which bears all the tax burden and that, if the State received all the revenue due to it from the informal sector, many countries would not be in the financial mess they are in today. This argument fails to take into account the fact that the vast majority of employees are paid in kind (being either members of the family or apprentices) and that the few wage-earners are paid extremely low wages. Under the normal tax exemption threshold, they and even some of the bosses would be exempted from taxation. Income here is extremely low and unstable. ILO surveys have established that about 13% of bosses do not manage to take home as much as the basic minimum wage in certain countries.

It is true that constituting, as it does, more or less a parallel economy, par-

ticularly in the sense that most of the money circulating within it does not enter the formal banking system, the informal sector appears as a drag on national development. The great need for liquidity largely explains why businesses in the sector shy away from the banks. On the other hand, the informal sector is a great mobiliser of private savings — the boss's savings, contributions from relations or loans from associations. This solid internal system of self-reliance accounts for the dynamism of the sector.

### Need for a strategy of support

The informal sector is seen by many as a stage of transition to the modern sector. If that transition has proved exceedingly slow over the years, it is because, through government neglect, there has been a total failure to stimulate the dynamism of the small producers.

Is there any need to stress yet the interest the informal sector holds for the process of endogenous development? Need it be pointed out that the sector is an expression of grassroots initiative, which development experts now agree is a *sine qua non* for the success of micro-projects? Clearly there is a case for a strategy of support for the informal sector by government and donors alike.

Support should address training, i.e. the raising of the level of technical or professional achievements of bosses, who traditionally are charged with passing on skills through the system of apprenticeship, and access to finance. ILO studies show that the higher the education achievement of the boss, the more capable and entrepreneurial he is. More confident in borrowing, in management and in procuring better equipment, his production performance is better, his wage is usually well above the basic minimum and his profit margin reasonable.

Structural adjustment provides a unique opportunity for a complete change in governments' hitherto negligent attitude. Large numbers of people now being made redundant are turning to the informal sector. Among them are highly educated individuals who, with a little bit of retraining and assistance, could stimulate the sector and provide the basis for industrialisation. This calls for an overall policy which emphasises autonomous and self-focused economic development. ○ Augustine OYOWE

## Development as seen by an investor from the North

### 'Give priority to free entreprise'

*An interview with  
Michel Relecom,  
Chairman of UNIBRA*

*Michel Relecom is a Belgian entrepreneur with a wide range of business interests in Africa, the Caribbean and the United States. It is therefore not surprising that he is Chairman of several companies, boards of directors and employers' associations. He is, among other things, Chairman of the Belgo-African Chamber of Commerce and Industry and a member of the steering committee of the Group of Seven for the European Private Sector's economic cooperation with the ACP States. How does this entrepreneur from the North with a long experience of investment in Africa see development generally? The Courier talked to him.*



► *Everybody now realises that the private sector has a crucial part to play in the development of the Third World. With structural adjustment, Governments are privatising the public firms and putting a lot of emphasis on private investments, especially from abroad. You have been investing in these countries for years, so what is your general reaction to this recognition of the importance of the private sector?*

— As I see it, the private sector has the same job to do wherever it is, be it North, South, East or West. The capitalist or the market economy has long since proved that while it perhaps isn't the best answer, we still haven't come up with anything preferable or better.

The boundary line between public and private must be the same all over the world. Foreign affairs can never be privatised. The army can never be privatised. But the telephones and railways and public transport, on the other hand, have to be privatised, I believe. It's the case in Belgium, it's the case in North

America, it's the case all over the world and it must be the case in Africa too.

Let me give you an example. If I call Belgium from the United States, it costs me a third or a quarter of what it costs me to call the States from Belgium. The USA has any number of private telephone companies while Belgium has a State-owned one, Belgacom, which is only now beginning to be run like a private company. Africa's telephones are all State-owned, cost a great deal to run and the services tend to be very poor and very expensive. A long flight from the States costs me a lot less than a flight from Europe to Africa. I don't understand it any more and I can't take it. What I say is: 'Privatise what is privatisable'.

But it's all very well to say privatise. You still have to do your privatising in the right climate; in a socio-economic and legal environment in which the private operator can say: 'That's worth looking at. It's even worth having.'

The general climate in Africa may well be improving. Africa may well be begin-

ning to realise — and the ACPs may be beginning to realise — the advantages of going private, but it has to be admitted that it is slow going, very slow going indeed, and that it is all happening in an institutional framework which the ACP administrations and perhaps even the European, North American, Japanese and Far Eastern administrations have not yet come to grips with. Because it has to be admitted that privatisation starts in the civil service! It is the civil servants, backed by the World Bank, who draw the boundaries and lay down the guidelines for privatisation.

What is also important, I believe, is that, as far as investments are concerned, the general framework of agreement is not quite ready in Africa yet. Mr Oyowe, I love Africa. I have spent my whole life there. My father spent his whole life there too. But look at, say, its justice system. In many of the countries, justice is completely wanting and the judgments are by no means impartial. Some people still get better treatment than others and it's all wrong. I think that, if you are going to

privatise, you have to have a doctrine whereby both the advantages and disadvantages of privatisation are accepted. In many ACP countries, foreign businessmen are told to come and invest, but when they get there, the first thing they are asked is how many expatriates they are going to be employing. Surely that's not the problem? Why should a private foreign investor want too many expatriates on his payroll? When the Americans send Americans to Brussels, they cost far more than Belgians. But if they think they have to have Americans, that's their problem. It's their budget and their balance sheet. Why should we send too many expatriates out to Africa? If we find we need a geological engineer or a physicist or an electrical engineer and we can't find one on the spot, for goodness' sake let us bring one in from wherever we like, be it Europe or somewhere else in Africa.

Come and hire people, they tell us. And so we hire people. And sometimes, when business isn't as good as we hoped and we have to lay people off, they say: 'No, you can't do that. You need permission.' In general there's no real free enterprise in the ACPs yet!

Come and set up here, they say, but 'we will control your selling prices'. They want us to come, but they slap on very high taxes in markets that are still too small in comparison with the European Community especially and with the vast new market of Canada, the USA and Mexico and with the enormous market of South East Asia. The ACPs have to review their customs policies and form big markets.

Privatisation is a good thing, I believe, but it has to happen in a general context. The ACP Governments have to tell the people that free enterprise is not necessarily a guarantee of success. Firms go broke every day in Europe and businessmen in good faith can get things wrong in Africa. The important thing, I think, is to leave the firms completely free to become, over time, the main actors in the markets and the economy, with due respect for the laws of the country — which must not be too constraining and must be applied and respected by all.

There has been a lot of talk lately about European investors looking to the countries of Eastern Europe instead of the ACPs. My answer to that is that it is possible, but I'm not worried about it.

Investors will go where they get the best reception. They will go where the laws are most favourable and applied properly and the market economy is allowed to work properly and there is normal taxation which does not cripple the businessman. Some countries slap a supertax on expatriates. Would you agree to pay more tax here than a Belgian, just because you were American or African? No, of course you wouldn't! That's out of the question. So why does it happen in some ACP-countries?

But let us avoid generalisations. Some countries are making a quite remarkable effort to attract foreign capital and making a success of it too. I think that the ACPs have to see which countries are making a go of it and which aren't. Africa, the Caribbean and the Pacific have to give us a decent reception, they have to go for free enterprise and they have to have laws which are stable and don't change all the time, so the businessman really can do his job and try and make a success of it. And, as I said, they should have the right to get it wrong. The fact that you are European or American does not mean that you are bound to do better than the Africans. Ultimately, I think that privatisation has to be properly thought out and done in association with the people of Africa, the Caribbean and the Pacific.

► *Leaving aside the Government policy which you have spoken about at length, what about socio-cultural considerations? Do they hamper development? After all, Africans have their way of doing things and it is quite different from the European way.*

— The basis of man's intelligence, I think, is accepting that his is not the only way of reasoning and thinking and going about things. The first thing to do when you go out to an ACP country, I believe, is to respect the way the people think and act and to respect their traditions and culture and history.

And it's not only true of Africa, you know. If you go to Czechoslovakia or Poland or Russia or America, you try to respect the socio-cultural set-up there too. We all have to make an effort to understand each other and the potential points of agreement and disagreement. I do believe there is a way of understanding each other and working together with dignity and mutual respect.

In the businesses I run, I have a lot of African associates and some of them are doing very well. I have problems with others, but we are looking for solutions. We don't always share the same outlook and the same hopes. I think we have to respect the authenticity of all peoples. We want Africans to accept ours and to see whether we can't all work together and accept theirs.

I am sure that, what with the increasing speed of communications across the world today, with student exchanges and with people from Africa in Europe and people from the Pacific in America and Europe and people from America and Asia and Europe in Africa, it is going to be easier for future generations to communicate. We are the precursors of all this and we have to do our utmost to improve things and to pave the way for our children and the world of tomorrow.

► *The brakes on Africa's development include red tape and corruption, don't they? Does this mean that the foreign businessman has to be corrupt too and, say, grease people's palms if he wants to get on?*

— Some companies do indeed offer backhanders, alas, but others would not dream of it. My personal view is that big companies which are wealthy and quoted on the stock exchange cannot afford to go in for bribery for the simple reason that they have official auditors appointed by the States who look after the interests of small shareholders and would never countenance bribes. That was an extremely delicate question of yours. I object to bribery.

But it's all relative. Is it bribery if a customs officer asks you for a packet of cigarettes when you come in from Europe and you give him one? I don't think so. You have to see how far it goes. People say that Africa is corrupt and it is and I have heard plenty of examples of it. But let me also tell you that I have pulled off some terrific business deals without giving anyone a penny. So there are cases where I am unwilling to judge. All I want is to see an improvement in the ethics of the businessmen and the countries' top civil servants who have to award derogations and authorisations and the rapid disappearance of backhanders in countries where corruption is assumed to be a way of life. Anything can happen, even in Europe. There's no point in exaggerating either!

Red tape, however, is another problem altogether, because during the first 30 years of independence, the States increased their civil services five-, ten- and even twenty-fold. You often have to deal with 20 different civil servants asking you 20 different questions. They want you to go to their countries, but when you get there, they make your life incredibly complicated and, once you are established, they make it worse. It's very annoying. Private enterprise must abide by the law, of course, but the authorities should not prey on it.

► *You have been in Africa for years. You have lived through a period of instability and a period when foreign firms were under constant threat of nationalisation. How did you cope with all this? And do you still have your beliefs unscathed?*

— I had my businesses nationalised once in one country. It was a disaster. They gave us back our businesses in the end, but I think that if they start talking about nationalisation again, now, in 1993, it would be a death blow to Africa. They have to have stability. They have to

have a free market. They have to give priority to free enterprise and the State has to mind its own business and base its budget on normal taxation and make sure that the firms have a fair, fast and impartial legal set-up to help them.

Nationalisation solves nothing, nothing at all. If Africa had to nationalise today, it wouldn't have the managers. You have to admit that. And how would it pay for it? The drama is that when Africa has nationalised, it has tended either not to pay at all or, in very rare cases, to pay badly. I don't think Africa



A textile factory in Mauritius.  
*Africa is competitive in the textile industry because 'labour is cheaper there'*

has the money to nationalise. And what is the point of nationalisation anyway? I have never seen the point. If at some stage a company becomes strategic, shall we say, and the State wants to control it, there are other ways of doing that than nationalisation. If something goes wrong and the private operator is unable to make a go of it, I cannot see how the State can do better. I have seen power stations nationalised and have realised that, although they worked properly when they were in private hands, they don't work at all now or they only tick over at enormous cost. Look at the price of power in Africa. Look at the price of water and transport. It's prohibitive! And nationalisation won't make for better returns or a better yield either. I am not in favour of nationalisation. I am radically opposed to it. It neither suits nor fits in with the law of the market or free competition. If you need energy, then try to see two or three or four potential producers and see how they could supply your local businesses with power at the lowest possible cost. Far better than giving the State a monopoly!

► *The risks attached to investing in Africa are great, aren't they?*

— Very great, which is why there is very little fresh investment there.

► *But the rewards are also very great...?*

— If only they were, Mr Oyowe, if only they were. Look at the records of all the companies with investments in Africa and you won't see terrific returns. Put your money in a European bank and you get 8% and no risks. Put your money in a European firm, a decently run affair, and you get 12-15% and the company's risk. With all the problems in the ACPs, anyone sincere has to say that if he can't make 20-25%, he won't even think about it. The African answer to that is that it's crazy to expect such returns and it may well be, but Africa doesn't always look at the problems of investment, it doesn't always look at what it costs the parent company in terms of administration and control. I do not think that what a private operator expects on an investment in a risk country — and I wouldn't put it at less than 15-20% — is excessive bearing in mind the returns you can get in Europe and North America and South East Asia

with far fewer complications and far less risk. That is something Africa has to accept and, when everything in Africa is normal, investors will be content with the same sort of returns as they get in countries where everything is normal. If I invest in Europe, there is no likelihood of being nationalised. If I invest in Europe, there is no likelihood of getting into difficulties with the law or employment or anything like that. But if I invest in Africa, all those things are very likely to inhibit me. They are still there today.

► *But that's all a thing of the past really. We should be looking to the future now. With all the economic and political reforms going on at the moment, isn't Africa becoming more and more competitive?*

— No, it isn't. Africa is improving, or trying to improve a lot of things, I think, but there is still a long way to go. Of course there are advantages there. Investors have clothes made in North Africa or Central Africa because labour is cheaper there. It is skilled and it is competitive. But for all sorts of reasons, Africa isn't competitive yet and it has to make itself competitive.

► *You mentioned tax. The Africans have to invest in infrastructure and that is the job of the State, but African countries are poor countries. How can they reconcile this demand for investment in infrastructure with the tax exemptions that will attract foreign businessmen?*

— I am not going to get involved with things which are no concern of mine, you know. You tell me that African countries are poor. That remains to be seen. When I look at African countries with embassies in countries in South America and far-away places with which they have nothing going, I work out what embassies cost in the back of beyond and realise that it would have been enough to rebuild x miles of road over the year! It's a question of choice. When I look at the military equipment which some African countries have got for themselves, I tell myself that the money would have been better spent on hospitals. Instead of buying war planes and civil aircraft, instead of putting up amazing towers and all sorts of unnecessary things, why not put the money into these roads? It will all come in time. It's a matter of choice and priority. It's a matter of political will!

► *If you had to give advice to potential new investors in Africa now, businessmen who wanted to go to Africa that is, what would it be?*

— I should start by saying that Africa needs them. I believe that it is our duty to remember that the people of Africa, the Caribbean and the Pacific are our brothers and that we cannot always go for the best deals and forget about them. I believe that it is reasonable to expect a rich country to give to or lend to or cooperate with a country which needs it to try to get people to stay where they are and enable them to have a more dignified and more worthwhile life. But I should tell the potential investors to investigate first and to take their decisions in the light of that investigation. I just brought up textiles. I know of Belgian textile groups which are now looking for African countries where they could set up and use a cheaper labour force to make things which cost too much to make here in Europe. They want to go to Africa rather than the Far East. But the decision, Mr Oyowe, is for the investor alone to take. What the ACP countries have to do, I think, is provide a legal system and justice and a welcome so their foreign partners can make the sort of investments which meet their criteria.

There is one thing I should like to add. You are talking about new investments and I should like to ask you a question. What is Africa doing for the investments it already has? It is neglecting them, that's what. Africans talk to you about new deals, but they can never assure you that existing ventures are yielding the maximum turnover and productivity and so on. And that is very sad. They open new power stations, they lay new roads, but they forget to maintain the old roads. They are forever talking about new things, but it is also vital to fight to keep things in perfect condition and to improve the value and the productivity and the output of what is already there. Every single investment code is geared to new investments. Exist and you are forgotten. I know one company which logically ought to be extending a factory it has, but isn't going to. It is going to build a new factory next door instead, so it will get more advantages. I think that's wrong. ○

Interview by Augustine OYOWE

# Trade reform: impacts for the North and the South

by Ian GOLDIN and Dominique VAN DER MENSBRUGGHE \*

There is little doubt about the role trade plays in growth and development. Both over time, and across countries, the growth in trade volume exceeds GDP growth. Trade policies play a pivotal role in determining trade volumes and patterns, and the elimination and/or reduction of trade barriers has been the basis for successive rounds of trade liberalisation negotiations, the Uruguay Round being the most recent. The contrast between trade liberalisation theory and practice in the industrialised countries is increasingly stark. Whereas OECD member countries unanimously endorse liberalisation as an economic ideology, their trade practices point in the opposite direction. Formerly centrally planned economies and developing countries, who in the past have been seen as more protectionist, have been making major reform efforts. Their remarkable courage in undertaking economic adjustments is now threatened by the failure of the industrialised countries to undertake reciprocal measures. Since the Uruguay Round was launched in 1986, over 60 developing and former centrally planned countries have unilaterally liberalised their trade, but only 12 industrialised nations have responded similarly.

This article presents some of the key issues of discussion of the Uruguay Round and, with the help of a trade model, will quantify the anticipated benefits and impacts from trade reform. In summary, the trade reform simulations indicate that the industrialised countries are expected to gain most from a liberalisation agreement, because their economies are currently most distorted by protectionism. However, from a development and poverty alleviation perspective, the former centrally planned

and developing countries stand to suffer most from a failure of the Round. Global income from a successful accord would increase by over \$195 billion (1992 prices), with \$90 billion accruing to the developing countries and formerly centrally planned economies, and the rest to the OECD countries.

## The GATT

The General Agreement on Tariffs and Trade (GATT) is the basis for a global rule-based trading system. Members agree to treat others equally and to reduce barriers to trade. The tariff concessions are linked to non-discrimination through the principle of most-favoured nation (MFN) treatment. Through tariff concessions, contracting countries reduce the tariffs imposed on imports from other GATT signatories, while the MFN rule obliges contracting states to extend to other GATT signatories the most favourable trade treatment accorded to an individual country. These non-discriminatory rules are critical to the developing and formerly centrally planned countries whose future growth depends on access to industrialised markets. The non-discrimination policies which are at the heart of the GATT provide a basis for equal treatment with well-established traders. Meanwhile, the multilateral nature of the GATT, including its disputes procedures, prevents large countries exerting undue pressure on smaller ones; the latter can and do use the rules to win equal status with larger ones.

Tariff concessions have been periodically negotiated for among contracting parties through a series of Rounds conducted under the auspices of the GATT. The Uruguay Round is the eighth since the General Agreement came into being. The latest negotiations include sectors so far largely or completely excluded, such as services, intellectual property and agriculture.

The Uruguay Round is taking place in a difficult economic and political environment. Many participants, both developed and developing, face a slowdown in growth, rising unemployment, and

large domestic and/or international debts. Moreover, in many countries, excess capacity in traditional industries and intense competitive pressures in these and more modern sectors, such as electronics, from emerging industrial competitors, have provided an impetus for strengthening protectionism. Politically, governments in the industrialised countries appear insecure, with the governing parties or coalitions vulnerable to small swings in support. Meanwhile, the democratic tide sweeping developing and formerly centrally planned economies has meant that competing political claims have imposed added constraints on their ability to negotiate.

Against the background of growing protectionism and politicisation, it is not surprising that, while the previous seven Rounds concentrated on tariff structures for industrial products, the Uruguay Round has also devoted attention to domestic subsidies for agriculture, non-tariff barriers, services, textiles, trade-related investment measures (TRIMs) and trade-related intellectual property rights (TRIPs). Whereas developing countries have much, and perhaps even most, to gain from the discussions on services, TRIPs, TRIMs, and textiles, the discussions concerning agriculture have occupied the centre stage. They have also proved to be the major sticking point and source of friction among the industrialised countries.

## The Uruguay Round and agriculture

Successive GATT Rounds have treated agriculture as an exception and it has not been subject to the same disciplines as industrial products. The broadening of the GATT Contracting Parties' ambitions in the Uruguay Round may be understood in the context of the growing international concerns regarding the adverse effects of existing trade practices. In agriculture, rising protectionism in the EC, United States and Japan has seen a growing juxtaposition between falling world prices and high and rising domestic prices, implying both an increase in costs to consumers and a rise in public expenditures on agricultural subsidies. These and other problems convinced the GATT's contracting countries of the need to 'bring more discipline and predictability to world agricultural trade by correcting and preventing restrictions and distortions, including those related to struc-

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Photo TRADE

*Crates of goods packed for export in Mauritius. 'Trade policies play a pivotal role in determining trade volumes and patterns'*

tural surpluses, so as to reduce the uncertainty, imbalances and instability in world agricultural markets'.

The instability is partly due to increasing domestic subsidies and unfair trade practices. During the 1980s, industrial countries have strongly increased subsidies to agriculture while agricultural trade has been increasingly regulated by bilateral agreements and market-sharing provisions. Moreover, the growing use of non-tariff barriers (NTBs) has reduced the effectiveness of negotiated tariff reductions. Since the end of the Tokyo Round in 1979, the average level of industrial tariffs in developed countries has fallen by nearly half to 6.4 per cent. The value of total world merchandise trade has grown by a remarkable 4.8 per cent per year. This growth is mainly confined to the industrialised countries; in the 1980s, developing countries' exports grew by only 1.6 per cent, and their share of world trade fell from 28 to 21 per cent.

In part, the explanation for these trends is to be found in the protectionist policies of developed countries, but developing countries have also discriminated against their own agriculture. In the latter, the situation tends to be the mirror image of that in the richer countries, with distortionary policies used to discriminate against rather than in favour of agriculture. Many developing coun-

tries followed 'infant industry' policies in order to promote industrialisation by protecting manufacturing from competitive imports, and taxed agricultural producers. In part, this penalisation has occurred through 'direct' taxation of agriculture, through tariffs and other means, but, 'indirect' taxation, from overvaluation of exchange rates and other macroeconomic distortions, has also served to penalise agriculture.

### **The implications of an agreement: a quantitative analysis**

In order to assess the implications of trade reform for production, consumption and trade, it has proven useful to develop a formal framework which can trace through the implications of policy reform in a consistent manner. Accordingly, the OECD Development Centre, in association with the World Bank, has developed a model of global production and trade. The model is known as the Rural Urban-North South Model, or RUNS. Briefly, RUNS is in a class of models known as global applied general equilibrium models. The world economy is aggregated into 22 regions: six regions comprise the OECD, 14 the developing countries, and two Eastern Europe and the former Soviet Union. The model specifies supply and demand relations for 20 commodities, 15 of which are agricul-

tural, while the other five are non-agricultural and relatively aggregated. Based on consensus estimates of the trends for the world economy, the model projects supply, demand, and trade to the year 2002 with the additional assumption that trade policies remain at their current levels during the period in question. The analysis of trade reform below is with respect to this base projection.

In this article we will concentrate on the effects of partial trade reform as that envisaged by the December 1991 draft Final Act of the Uruguay Round of Multilateral Trade Negotiations, which is indicative of a possible compromise. The reform scenario which is implemented and analysed below includes a 30% across-the-board reduction in border protection and a 30% cut in agricultural input subsidies. The full 30% reduction is applied in 1993 and is maintained at that level for the remainder of the period analysed, i.e. up to 2002.

### **The results**

In very brief terms, the partial trade reform leads to a rise in the world price of most agricultural commodities. This is a consequence of the decline in production in the OECD countries as farmers react to a fall in domestic agricultural prices. While this leads to a relative drop in farm incomes and output in many OECD



regions, the overall impact for the OECD is very positive. Consumers benefit from a reduction in food prices and taxes, and the non-agricultural sectors benefit from lower factor prices and an increase in trade. The impact on developing countries is positive on aggregate. In particular, rural incomes increase significantly as a result of a rise in world agricultural prices and a decline in taxation. Poverty in many developing countries tends to be concentrated in the rural areas, therefore trade reform leads to a reduction in income inequality. The negative impact occurs in food-importing regions which suffer from a decline in their terms of trade as the world price of food increases.

However, the overall level of the losses can easily be compensated for by the gains to other regions which would leave all regions better off.

In income terms, the global gains from partial trade reform would be over \$195 billion (in 1992 prices). The developing countries would reap \$91 billion (or 46 per cent) of the gains, and the OECD countries the remainder. Losses amount to \$7 billion. This represents only 3.5 per cent of the total gains, and is less than 20 per cent of the current level of official development assistance. The developing countries which lose are concentrated in Africa and around the Mediterranean. The largest gainers are in Far East Asia and China, and in Latin America. The regions/countries with the largest gains tend to be those with the highest levels of distortions.

### Conclusions: protectionism and poverty

Many of the arguments justifying past and present agricultural policies have ceased to be valid in developed countries. In particular, the objectives of food security and protection of consumers' living standards can be demonstrated not to be served by protectionist policies. On the contrary, existing agricultural policies have led to severe distortions in resource use. The resulting misallocation of resources has affected the growth potential of all sectors of the economy. Indeed, the spill-over economy-wide effects of agricultural protectionism are more serious than the soaring direct budgetary and other costs. It has been estimated that the total cost to consumers and taxpayers of agricultural protection in 1986 was \$36 billion. The net benefit to producers was \$15 billion. In other words, of the

total transfer from consumers and taxpayers of \$36 billion, 60 per cent was lost to inefficiency. Over time, these negative effects are amplified, so that existing policies need to be examined not simply in terms of their existing costs, but in terms of their dynamic impact on income generation, investment, growth and the environment.

Direct income supports and other more targeted measures are more effective in overcoming rural poverty and achieving distributive and other social objectives, and more efficient in terms of the budgetary cost of achieving these objectives. Equally important, decoupled direct income support is neutral in its impact on international markets and developing countries, and therefore is compatible with the objective of a level international playing field and global, as opposed to simply national, redistribution.

Failure to reform developed countries' agricultural policies will significantly reduce the growth potential of developing and formerly centrally planned countries. A reduction of subsidies to producers in developed countries would raise world prices of key commodities and place developing and other countries on an equal footing with the industrialised countries. Trade liberalisation would benefit food production and those developing countries with export potential, but also have a negative impact on food importers' balance of payments. A reduction in developed countries' agricultural production may result in lower quantities of food aid. Mechanisms should be developed to ensure that developing countries do not suffer from higher cereal prices resulting from trade liberalisation, and that food aid is not conditional on protectionism in the industrialised countries. A number of the poorest countries — and notably those in Africa — stand to gain last from liberalisation. Development assistance packages should be enhanced to compensate for the potential losses in these low-income regions.

The quantitative analysis has shown the high cost of protectionism. Partial trade reform would lead to an increase in world income of over \$195 billion, and it is estimated that complete elimination of trade barriers would lead to an increase in world income approaching \$500 billion.

In fact, many developing and formerly centrally planned countries already have

adopted trade liberalisation policies; their levels of distortion have fallen dramatically since 1985. Policies which favour equity need to be placed alongside those favouring growth. This will ensure that the critical problem of nutrition and personal food security is addressed. For the 800 million or more people in the world facing malnutrition, what matters is their entitlement to food — the economic power to grow or buy food — rather than the national level of agricultural production. Most poor and malnourished people live in the countryside, and hence policies which are favourable to agriculture tend to improve their prospects. Liberalisation on a global and a national level encourages developing country agriculture and improves rural income in these countries.

Developing countries have learned from bitter experience that they cannot afford the subsidies and distortions which have become endemic in industrialised countries. Their future depends on the establishment of a standardised rule system of international trading, such as that offered by the Uruguay Round of the GATT. The results of our analysis show that the most powerful contribution which industrialised countries can make to their own and to global development is to honour their Punta del Este commitments to 'halt and reverse protectionism and to remove distortions to trade'. The challenge for the industrialised countries is to do as they preach, breaking away from the straitjacket they currently find themselves in. The alternative is to leave in place an economic system that violates the principles of the market system on which the OECD economies are based. This deprives the citizens of OECD and non-OECD countries of potential employment and income, undermining their food security, economic prospects and social harmony. The continuation of the current system feeds the forces of political nationalism and economic protectionism. It would be unfortunate if the industrialised world missed this opportunity to incorporate the economies in transition — the formerly centrally planned economies — on an equal basis, providing these countries, as well as the developing countries, with a greater chance to participate in a growing world economy. The failure to reach an agreement poses a threat not only to economic recovery and global equity but also, by fuelling trade conflicts, to peace in the world. ◯

I.G. and D. vd. M.

## AASM then ACP... what next?

Why did people decide to go in for cooperation and development? And what kind of development did they mean? Any discussion of these matters now prompts so many questions that it is perhaps a good idea to review briefly the way in which cooperation between the Community and the ACP States began.

In the period immediately after 1960, when the majority of ACP countries were moving to independence, economic cooperation was a somewhat vague idea which often involved leaving the former metropolitan power to define and run the new relationships that were taking shape. This was particularly the case in French-speaking Africa whose long-standing relations with France were deep-rooted but, at the same time, ambiguous. By contrast, the ties between the United Kingdom and the English-speaking countries of Africa were more 'cut and dried', leaving less room for the shaping of a relationship somewhere between independence in the fullest meaning of the word and 'Association'.

The first cooperation agreement between the Community and the French-speaking Associated States of Africa and Madagascar (AASM) was signed in Yaoundé in 1963. The choice of Cameroon's capital for the signing of an agreement enshrining new relations between the six original members of the European Community and a series of African nations, was not without significance. In the general move to decolonise, which gradually spread throughout the continent, Cameroon had in fact been the first of the 18 States in question to move to independence, on 1 January, 1960. Furthermore, the main colonial powers and even the League of Nations all had some experience of this country. It had been a German colony and then a mandated territory under the League, with part administered by the UK and the remainder by France.

Under the agreement, the partners were not only 'completely equal', but there was also a clear emphasis on the friendly nature of the links being forged. The Yaoundé Convention, better known as the 'Convention of Association', dealt with economic relations between countries which were technologically advanced and countries which aspired to

their development model. It covered cooperation in commercial, financial and technical matters and infrastructure and it resembled, in essence, previously established arrangements.

An underlying question at the time related to the type of political framework that was needed. What would be most conducive to the implementation and achievement of the stated economic aims, whose goal was to bring about 'social progress' in the Associated States? The Treaty of Rome, which laid the foundations of future cooperation with what are now the ACP countries, had to answer the same questions as regards the European Community.

EEC-AASM (ACP) cooperation began in 1963 so it is now only a few months short of thirty years old. A brief survey of the relationship in the intervening period reveals some great, some good and some undeniably not-so-good achievements. Progress has been made in the substance and, perhaps, the methods of ACP-EEC cooperation and development. Those involved have also got to know each other better during this time. But do they also understand each other better?

It is worth noting that the 'Association' concept, which the English-speaking ACPs strongly opposed, was dropped in the summer of 1974, at the first negotiating meeting in the Palais d'Egmont in Brussels leading up to the signature of Lomé I.

Even so, the whole ACP Group (which was institutionalised by the Georgetown Agreement signed in Guyana) believes today that, in these times of mounting uncertainty, the Community has a duty not to abandon it in favour of the now Marxism-free Eastern Europe. Nor do they want to be relegated to the sidelines under the reworked pattern of international relations which has emerged since the disintegration of the Soviet empire.

The Community is pursuing its cooperation with a more political bias, accentuating democracy, human rights, freedom of the press and so on. The idea of negotiating more localised regional agreements, reflecting economic similarities at the regional level, is vaguely

taking shape in some quarters. There were those in ACP circles who once considered the possibility of such an approach, on the basis that the general structure of the existing agreement covering relations with the Community was of limited interest, but the idea rapidly fell by the wayside. At that stage, of course, there was a greater degree of optimism about development prospects, despite all the signs, but the mistake of the supporters of differentiated conventions was probably that they were too forward-looking in their analysis. Today, the idea has no official following in ACP circles.

However, Edwin Carrington, who is a former Secretary-General of the ACP Group, has written in an article (which appeared in April 1992) that the Caricom countries should 'seriously consider new strategies and mechanisms in dealing with both Europe and North America'. He went on to say that they could, for example, set up a Caribbean Basin Cooperation Group (presumably along the lines of the American-inspired Caribbean Basin Initiative) because, according to him, there was no doubt that the role and influence of the ACP Group would change and that the Caribbean would lose some of its existing special relationship with the Community. This was not an official position, of course, but it was interesting because it was a public statement of ideas which could have been seen to be harmful to the cohesion of the ACP Group.

The Community's cooperation is beset with doubts, uncertainty and questions of strategy and method. It is characterised by a number of key notions: co-management, which is proposed, co-definition which already exists and co-responsibility which the ACPs are less likely to assert. There is also democracy and human rights — now effectively an obligation for all, with the disappearance of opposing ideological blocs.

This short reminder of the various stages of cooperation suggests that we should have our eyes on a new horizon. This is particularly true for the ACPs who must also make up the time which has been lost in failing to experiment with democracy and in their laborious search for sound economic management. ○

Lucien PAGNI

# Aid and development — where the twain shall meet

by Jean-Jacques GABAS \*

Développement. An ordinary word which, opinions notwithstanding, common sense once said meant improving the production of goods and thereby raising the standard of living with better education, better health and so on. But the ways to it vary widely, from the highly 'economistic' method to the more human approach.<sup>1</sup> Development is, in fact, the first term of an incomplete sentence and its pioneers saw it as developing a market economy — boosting trade between operators, developing the division of labour within a society and ushering in the reign of the commodity market. Even today, after more than 30 years of development policies, it embraces a concern with a return to balance, be it economic, financial, ecological, political or even demographic. So the dynamics of development have a clear purpose to them.

The history of nations and dominations in particular suggests that one country could help ease another's path to achievement of this much talked-about economy (essentially based on trade and the market) in this controllable vision of a socio-economic unit's process of change. No society is cut off from other societies. There are influences, a whole series of them, and F. Braudel's work has amply illustrated that trade relations completely overturned economic units in Europe. The market encouraged producers, tradesmen and consumers to forge relations with each other. There were goods to trade, the value of these goods was gradually fixed and the trade created income. Prices were fixed, of course, in the light of relations of strength and of the value which individuals set on them.

Currency circulation is only the visible tip of a much further reaching process of relations between the different operators. There has always been trade, as Jacques Austruy<sup>2</sup> puts it, 'but it is episodic, being allied to consumption in pre-stone age

societies, probably, with the display of wealth linked to surplus, not just because the one was behind the other, but also, of course, because, via a magical kind of emulation, the one called for reconstitution of the other. From this point of view, it is a sign of power which gives and thereby forces both other people and nature to yield. But this power is based on a provisional surplus and cannot be institutionalised. The agricultural product, on the other hand, will make for constant trade by demystifying surplus and revealing its use. Agricultural surplus, a condition of trade, will make for theoretical trade advantages, first of all with the peasant farmer, then with other producers and then with the craftsman.' Aid makes relations between the different operators seem complex. Does this mean that it provides the possibility of releasing a surplus which will be the basis of trade? Aid identifies with money, but how can it help shape this system of relations? External influences themselves are not to blame, but it would be wise to look at the following.

— The fact that aid is disconnected from production and trade is often to the detriment of the producers. Has this aid, which is very important for a large number of countries in Africa and Asia alike, set up this much-desired economy of production? Has it encouraged trade?

— The way this money finds its way to the operators. How does it get through to the people themselves? How does the 'transplant' take?

— In many cases, it is rejected, but sometimes the external message is received in a very special way, according to the individual logic of the society or possibly the family.

— How can change be backed up? What are the changes and organisation/disorganisation in question? Is this not a phase of economic acculturation or a phase of adoption of economic messages, economic influence (through the value of goods imported and exported, changes in the relative values of goods and services) in a process which is by no means what was originally imagined?

## Gradual installation of an economy of transfers

External aid flows are large. They represented more than 20% of GNP in the vast majority of the countries of sub-Saharan Africa in 1990. How were these resources used?

A brief reference to the history of ideas is called for here. It was possible to set the economic machine in motion again, primed with external aid, by doing something about industry or agriculture or infrastructure (the 'decor of development', as J.M. Cour put it) or all the sectors at once. Every form of prescription has been tried, with variations to suit the country concerned. Outside assistance came in the shape of projects, primarily through State companies or, more modestly NGOs. Foreign firms were involved in trade and industry. But, since 1980, this heritage has weighed heavy, extremely heavy. Financial crisis and a lack of confidence in the recipes for development are manifest and the era of so-called structural adjustment has begun. Since the early 1980s, transfers, less and less in the form of projects, have become support for the balance of payments, food aid, budget support and technical assistance. Aid provided outside productive projects accounts for more than 50% of all aid to the Sahel countries<sup>3</sup> and the figures for many other countries in sub-Saharan Africa are very similar. An economy of payments is being set up in much the same way as an economy based on export revenue from a primary product.<sup>4</sup> Aid spending has still to be analysed. How is it used? By whom? And along what channels does this external financing flow? How do the people involved at the various stages in the process obtain the aid?

There are few precise answers, although one or two facts are clear. Support for the balance of payments in the form of Stabex transfers, import financing and food aid are external donations which generate counterpart funds in local currency. What are they used for? To get supply off the ground again? Or to keep things ticking over? An economy of aid, gradually disconnected

<sup>3</sup> 'Les politiques d'aide dans les pays du CILSS' — J.J. Gabas, A.S. Boisgallais, Club du Sahel/CILSS, COBEAS, Paris 1992.

<sup>4</sup> The Dutch disease phenomenon observed in Nigeria's oil revenue can be seen in many countries of sub-Saharan Africa with aid-based external resources.

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<sup>1</sup> Cf. OECD's history of economic thinking on development since 1945 (OECD Development Centre, Paris 1992).

<sup>2</sup> Jacques Austruy, 'La cheville et le papillon. Economie des métamorphoses', p. 115; Editions Cujas, Paris 1992.



*Rice growing, a condition of trade, 'makes for theoretical trade advantages... Does this mean that it provides the possibility of releasing a surplus which will be the basis of trade?'*

from the era of the economy of production, is taking shape.

### Premature move to a service economy

Hefty growth of services as a percentage of GDP is a sign of both growth of trade, based on imported products, and constantly inadequate agricultural prices when there has been no gain in productivity in preceding decades. Aid does not encourage the constitution of surpluses which is essential for lasting trade. Aid disorganises and does a lot to encourage the flight from the land, by creating imbalances in the prices of farm products and manufactured goods, with farmers not getting paid properly for their output. Supplies to city dwellers have to be at low cost for political reasons, but also because part of the population has to survive. This is the case in Guinea Bissau, Gambia and Benin — 'a country which has never been based on a proper policy of production, but instead on one of services, with commerce always preponderant'.<sup>5</sup>

External aid<sup>6</sup> in the form of grants or soft loans contains all the seeds of its own

<sup>5</sup> John Igué & Bio G. Soulé — 'L'Etat-entrepôt au Benin', p. 44, Karthala, Paris 1992.

<sup>6</sup> Cf. 'L'Aide contre le développement. L'exemple du Sahel' — J.J. Gabas, Economica, Paris, 1988.

perpetuation. It is a well-intentioned economic act which contains its own perverse effects. Instead of reaching the sphere of production and triggering added value, aid is set up on a self-sustaining basis.

### Encouraging consumption rather than investment

Very little of the money injected into the economic operators gets to the producers, for it flows to the towns, to a population essentially made up of civil servants and tradesmen. This is an economy of demand. Supply is very little affected. So over the past decade, low-income countries have seen their public consumption expand by an average of more than 3% p.a., as against slightly more than 1% for investment and slightly more than 2% for consumption. By way of comparison, the growth of domestic investment was close to an average of 9% p.a. in 1965-1980 and far lower for the other components of the final demand. Is aid not in fact feeding a large part of inter-African trade, which is largely based on re-exports?<sup>7</sup>

The negative effects of this aid are also apparent in countries at war. Both

<sup>7</sup> See the work of John Igué and the Club du Sahel/CILSS on regional spaces in West Africa.

Somalia and Liberia received huge amounts of aid in previous decades and we all know what the results were. Obviously, it would be absurd to suggest that the present situation was caused by the development-aid policy alone, but the serious political conflicts cannot be isolated from development strategies adopted in the past or, therefore, from the underlying system of aid.

This brings us to the problem of the birth of money. If operators are to recognise money for what it is, that money has to crystallise their energy. It would be wrong for it to be tied to the dollar or the franc, since this would deprive it of its basis and its creation, which has to be preceded by plans and anticipate results. It also brings us to the problem of grants. Is it possible for an economic flow not to have a counterpart? Something is always expected in return. All these free or virtually free financial resources are in a curious position in a context in which capital is rare. A depressive economic set-up takes shape, with prices artificially low because the economic operators (often the State) are not concerned with reimbursement.

Yet — at the risk of upsetting the deep-seated ideas of some — no development, by definition, is durable or linear. Development has even fewer predetermined stages in the image of a universal determinism. Development is, *per se*, synonymous with change and upheaval causing a greater or lesser degree of hardship. Development inevitably goes hand in hand with imbalance, varying degrees of crisis and more or less successful adaptation. It is chaos. Change is inherent in every society and African economies change and are not static. This is the important thing to remember when it comes to integrating aid, which is bound to continue over the coming years and has to reflect the demands of the operators. Africa is in no greater need of cultural adjustment here than are our own societies. These flows of finance should not have to be provided just because the international context deems them compulsory.

They should be able to be decreased without the reduction being interpreted as forgetfulness. However, it would be criminal to stop humanitarian relief while the need for food and medicines is so great, particularly among refugees. ○

J.-J.G.

# Is development aid harmful to development?

by Howard WHITE \*

TENS of billions of dollars of aid flow from developed to developing countries each year. Has this money accelerated the development of the recipients? Or has it harmed them? Critics of aid, from both right and left, have given several reasons for thinking that aid does more harm than good.

Peter Bauer, a British economist, is the most vocal critic from the right. Bauer believes that economic development can only be achieved through the market place. Since aid is channelled from government to government it reinforces the position of the state, thus subverting rather than promoting development. The well-known US economist, Milton Friedman, has expressed the same view — back in 1958 he claimed that aid was leading to the 'communisation' of the Third World.

Though Bauer and Friedman say aid is harmful because it undermines capitalism, aid's critics from the left argue precisely the opposite. Starting with *Aid as Imperialism* in the early 1970s, Teresa Hayter has consistently attacked donor agencies — in particular the World Bank and the IMF. These two organisations have, she says, forced developing countries to swallow the bitter medicine of adjustment policies, which are not even a cure for their ills but an attempt to keep them in a subordinate position in the international capitalist economy. The 'development' projects the World Bank helps finance are not designed to develop at all, but to bring products to the global market and fuel the industrial machine (and profits) of Western corporations. Finally Hayter says that although this process may benefit a few of the elite in developing countries, it only does so at the expense of the poor and the environment.

The environment must change as part of the development process — a point not accepted by some of the more reactionary 'environmental organisations' in developed countries who wish, from their well-off vantage point, to impose their ideal of the noble savage on the poor of the developing world. But it cannot be denied that donor agencies have helped

finance activities with adverse — at times, disastrous — environmental consequences. In response to outside pressure and because of their own concern, many donors — most notably the World Bank — are now trying to rectify past errors and avoid similar mistakes in the future. Campaign groups should not reduce their pressure, but be prepared to engage official agencies in constructive dialogue.

The aid business is also criticised because it is just that — a business from which hundreds of thousands of officials and consultants earn a good living. UN agencies pay consultants a *daily* allowance which is usually rather more than the *monthly* income of the average person in most developing countries — and this is only the allowance, their salary is several times this amount. The contrast between the life-styles of aid workers and those their work is meant to benefit is, at best, striking and, at worst, obscene.

High salary levels are defended on the grounds that development agencies must compete in the market place for the most skilled people available. There is something in this argument. But the development worker who is no longer worried, or at least struck, by the contrast ought to ask themselves if they are in the right business.

More importantly, staying in five-star hotels can reduce contacts to a round of meetings with government officials and the maid that cleans the room. Other experts are 'development tourists' — seeing projects from the comfort of an air-conditioned four-wheel-drive vehicle. Are people with only these experiences well placed to design the projects that will help determine the pattern of a country's development? This important question is of apparently little concern to many donors. Many donor agencies and recipient governments now pay lip service to 'participation'. But the fact is that beneficiary populations are seldom consulted about the plans for their future. Such consultation is usually only with community leaders or a one-way flow from project to people. Project 'beneficiaries' are not unknown to stage protests *against* — or even sabotage —

projects designed to 'help' them. In the words of a village chief in the mountains of Lesotho: 'development has many enemies here'.

Beneficiary participation is probably the single most important item on the agenda to reform the aid process. Beneficiaries' views should be elicited on a systematic basis for the preparation and evaluation of projects. Of the hundreds of official reports I have read evaluating aid projects, not one has ever given the opinion of the beneficiaries on the success or otherwise of the project. Systematic reform of this kind requires a change in attitude by the staff of donor agencies and decentralisation of their activities. Forced re-education is perhaps too strong a term, but periods of working in developing country governments, in projects (preferably rural) and in non-governmental organisations would be extremely beneficial to most development workers. Donor agencies should implement such secondment schemes.

Non-governmental organisations are responsible for an increasing share of development activity. Official donors channel a significant portion of their funds through these organisations, as NGOs are meant to be more participatory and better at reaching the poor. The truth is there is no evidence to support this claim. Some NGOs run some very good projects — but so do official donors. And, like official donors, NGOs do some appalling things. A study of a refugee programme run by NGOs in southern Sudan (*Imposing Aid* by Harrell-Bond) exposes arrogance and insensitivity on the part of some of their staff. Project management was decidedly non-participatory, with refugees seen as victims to be helped. Although the refugees included qualified doctors with years of experience, these were not allowed to practice in the camps. Instead volunteer medical students from the UK were flown in. Like official donors, NGOs are learning from their mistakes. NGOs certainly can play a valuable part, but we should be wary of the idea that there is any panacea to remedy aid's failings.

Aid's greatest failing — for both NGOs and official agencies — is its record in reaching the poor. The immediate alleviation of poverty is not, and should not be, the objective of all aid. But the long-term eradication of poverty is. The frequent failure of aid projects to reach the poor must be of great concern — and of even greater concern is how little actual effort, rather than lip-service, most donors

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direct towards this issue. The World Bank has taken a lead in disseminating information on how aid may better reach the poor (culminating in the recent publication of a *Poverty Handbook*). But achieving this objective will require a quite fundamental reshaping of the aid process. Forcing through such a reform will need considerable political will both within and outside donor agencies.

Despite the problems mentioned so far, the evidence collected from thousands of projects is that most aid has a beneficial impact. The most comprehensive review of the aid experience — the World Bank-financed study called *Does Aid Work?* supervised by Robert Cassen of the University of Oxford — answered the question they posed 'yes' (but with room for improvement). But this conclusion, drawn from looking at the microeconomic evidence — that is at what individual aid projects have achieved — flies in the face of the conclusion drawn by academics looking at the macroeconomic impact of aid. For more than two decades, academics have been reporting that there is *no relationship whatsoever* between the amount of aid a country gets and how fast its economy grows. A British economist, Paul Mosley, has called this apparent contradiction the 'macro-micro paradox'.

How can the paradox be explained? How can it be that individual projects lead to higher incomes but that the aid programme as a whole does not? Economists have several theories about aid's macroeconomic effects that may explain the paradox. Two of the most important of these theories are 'fungibility' and 'crowding out'.

Suppose a government has two projects it wishes to carry out — one to support rural health clinics and the other to build a new sports stadium: but only enough money to finance one of them. It decides to go ahead with the rural health programme. But then a foreign donor is found to finance the health project — the government can now use its own money to build the sports stadium. What is the aid really paying for? The dollars the donor gives are accounted against the health project, but that would have gone ahead even in the absence of the aid. The project that the aid makes possible is in fact the sports stadium: aid is fungible as the expenditure it actually finances is not that to which it is nominally tied. Of course, the expenditure may not be a sports stadium — it may be higher civil

service wages, a fleet of ministerial Mercedes or the purchase of military hardware.

The most well-known application of the concept of fungibility to the analysis of aid is by Keith Griffin. He says that if a country gets more aid then — because aid is fungible — some of the extra income actually finances an increase in spending on consumption goods rather than investment (i.e. aid displaces domestic savings). Aid is intended to increase growth through higher investment: as not all aid finances investment the link between aid and growth is weakened. More recent academic work has concluded that recipient governments' response to higher aid is not only to increase spending as the donor intends, but also to reduce taxes and borrowing from non-concessional sources.

Donors have tried to restrict fungibility by requiring the recipient to make a contribution to the project. By tying the recipient's own resources the donor can minimise expenditure on activities they, the donor, consider undesirable. Aid intended for general import support is not fungible between projects simply because its use is not tied to any project. But it may still be used to reduce taxes or other borrowing rather than increase expenditure. Attempts to restrict fungibility imply that the donors believe that they, rather than the recipient government, know what is best for the country. Otherwise donors could just give totally untied aid to the recipient, making professional services available as the recipient requests.

Donors tie aid not only to specific projects but also to the purchase of goods and services from the donor — a practice designed to serve donor, not recipient, interests. In recent years a more pernicious system — called 'associated finance' or 'mixed credits' — has developed: the aid is given together with a non-concessional loan (that is one at full market interest rates) and both the aid and non-concessional money must be used to buy donor goods. This is bad for several reasons. First, the goods supplied are, on average, 25% more expensive than those bought on the free market. If only aid money is concerned, the effect is simply to reduce the real value of this money to the recipient. But if a mixed credit is involved, the recipient may be better off borrowing commercially and buying on open markets. Second, donors favour projects their ailing industries are best placed to supply — therefore distort-

ing the recipient's development pattern towards import-intensive projects which are often inappropriate in many ways. The corruption of the developmental objectives of aid by donor self-interest reduces aid's beneficial impact. It is perhaps too much to hope that this corruption will stop, but campaign groups and government and donor officials should continue to fight it.

To return to fungibility, the evidence as to its importance is inconclusive. Many studies have found that aid does displace savings and lead to lower taxes. But the methods used have ignored the fact that, by leading to higher expenditure, aid will increase income and so may lead to both higher consumption and higher savings and taxes.

Higher spending may not lead to higher income if there are no domestic goods to spend it on — in other words, the economy is what economists call 'supply constrained'. If supply cannot increase to meet demand then aid inflows will fuel inflation. The impact on prices — and therefore on key variables like the real exchange rate — is one way in which aid may crowd out the private sector. If there is crowding out (i.e. the aid-related increase in output is offset by a fall in private-sector output), aid has a redistributive effect (perhaps a regressive one) but little or no net impact on the level of income.

Crowding out may occur either directly or indirectly. Indirectly, higher local costs undermine profitability and government borrowing to meet its contribution to project costs can limit credit availability. An example of direct crowding out is the distribution of sunflower oil through a Food for Work Programme in an area in which another donor is supporting agricultural diversification — into sunflowers! Another is to support factory production of activities carried out by small-scale producers, such as brewing and weaving. There is little comprehensive evidence on this important issue — what there is suggests there is crowding out, but not enough to fully offset aid's beneficial effects.

The conclusion to the discussion of crowding out serves to sum up my review of the whole experience of aid. Aid does some good, but it could do much more. For this to happen, changes are needed in the aid process; and the successful implementation of these reforms is the responsibility of us all. ○ H.W.

## Development aid in the 1990s

by Marie-Angélique SAVANE \*

Development aid poses a problem whether the philosophy behind it is charity and solidarity or self-interest. Yet development aid is essential if the developing nations are to be helped to lay firm foundations for their growth. If it is misconceived, however, it creates heightened dependence, without necessarily solving the problems which will enable the countries concerned to take on their own development.

For many years, the main thing was whether the aid provided was in line with the development aims of the countries of the South.

Then it was the volume of aid in comparison with South-North financial transfers and domestic savings which held the attention of the analysts, development operators and decision-makers.

In the present period of history, when humanitarian relief has replaced development problems as the prime concern of the countries of the North, it is more essential than ever to rethink the terms of a new-style form of cooperation between governments in North and South... and of a new-style partnership between the citizens of North and South.

### Manna from the North — a misconception

The African nations gained their independence in a state of euphoria, convinced that the North — and particularly Europe, as a former colonial power — would sustain their drive for development. Everything was planned in the light of the Western contribution alone, which not only pushed up the cost of the projects, but did so without any reference to the real potential of the countries or the people who lived there. So there were grandiose schemes and competing funders, there was scant interest in small, inexpensive projects and there was seen to be little point in mobilising domestic savings to finance part of the national development or in getting the populations themselves involved.

No-one ever really called for the domestic effort which would have

brought better returns on the external contribution. However, external aid was seen as manna which came down regularly from heaven to feed the designs of sectoral development.

This passive and unhealthy attitude by African governments, contrary to all logic, was one which the funders and donor countries were anxious to see.

And as long as the world economy was expanding and resources could be redistributed, loans and aid graciously lent themselves to the African governments' games and helped finance the famous white elephants. But in the 1970s, the second development decade alerted the international community by highlighting the fact that the essential needs of the people, particularly the poorest of them, had to be met.

By the end of the 1960s, social allocations (into health, housing, education and so on) were already on a gradual decline and poverty was mounting. This, of course, was the time when the price of raw materials plummeted and the terms of trade deteriorated — which triggered enormous tension when it came to choosing development priorities.

Instead of responding to this by producing strategies to diversify their output and adapt to the changes in the world economic set-up, African governments charged blindly into borrowing so they could produce more raw materials — thereby increasing their weaknesses on what was no longer a buoyant market.

This in many ways incoherent attitude was only justified by the State's assurance that they could count on aid from friendly governments in the North. It led to a breakneck race for aid, but it also temporarily plugged the gaps.

The outcome of all this was that, in the early 1980s, structural adjustment had to be forced on the national economies and aid had to be channelled through so-called private institutions, especially NGOs, and provided on terms dictated by the IMF and the IBRD.

As far as the North was concerned, this transfer was even more essential in that it happened at a time when the developed countries were making a huge effort to coordinate their economic policies.

### Conditionality and malaise

The sudden incursion of the Bretton Woods institutions into African development strategies was made easier by the Western governments' malaise. Two decades of development aid had failed to accomplish much. Indeed, illiteracy rates were still high, health conditions were still cause for concern and poverty and famine still persisted.

The impression was that, despite every effort, nothing was happening in Africa. Everything remained to be done.

This negative assessment of development cooperation triggered all sorts of anti-Third World attitudes and points of view, just when every energy in the North was focused on combating inflation, unemployment in the West was becoming cause for concern and the fourth world was emerging in most of the capital cities of the North. There were more converts to the idea that charity begins at home.

This malaise in development cooperation was reflected in the ease with which many governments, even those viewed as friends in the South, transferred the onus for development to the Bretton Woods institutions and closed their eyes to how hard the effects of structural adjustment were on the most vulnerable sections of the population.

The fall of the Berlin Wall and the decline of the Communist bloc has helped bring human rights and democracy to the centre of the debate and development cooperation has seen the birth of what has been called 'political conditionality'. This has brought immediate protests from NGOs in the North and governments in the South, the commonest argument being that conditionality hits the stomachs of the poorest. But all observers know that corruption and misuse of public money are common currency in many of these countries. And the precariousness of the current state of the poor in town and country alike shows that aid has not always reached those who needed it most, so some kind of conditionality is needed if North-South relations are to be mobilised and aid is to become a proper pact of solidarity between partners in a situation of planetary interdependence. If the North wants to ensure its political and economic security, it has to make a serious contribution to the development of the South and it will no longer do this out of ordinary Judeo-Christian charity, or bad

\* Translation of an article which was first published in 'L'événement européen', n° 19, 1992.

conscience, but out of self-interest — the only valid reason in the eyes of the people of the North.

## What are the alternatives?

The serious problems facing the developing countries present a major challenge to the international community and not just the States, but the citizens and their organisations too, have to respond. Development cooperation will then have to be redefined in the light of the new prospects offered by the world environmental conference in Rio in 1992, which suggested that sustainable development was the only possible response to the challenges of the modern world.

As far as the States are concerned, the Stoltenberg proposal of development contracts seems to be the best solution for aid.

For the NGOs, the proposals made at the Cotonou (Benin) conference in January 1991 offer another approach<sup>1</sup>.

## Development contracts

The structural adjustment programmes set up to improve the balance of payments in the 1980s were the sole responsibility of the national governments. However, the success of such programmes very much depends on other countries' commercial and economic policies — hence the need to replace them with the famous development contracts suggested by Thorvald Stoltenberg, Norway's Foreign Minister, at the OECD Development Centre Symposium (One World or Many) in Paris in February 1989.

Development contracts are general instruments for financing medium- and long-term development plans drawn up by the countries of the South themselves, possibly with the help of external technical assistance. The point is that the plan should reflect a broad national consensus obtained through consultation of all the citizens, because success very much depends on how much support the recipient government gets from the people. Democracy and involvement are therefore essential forerunners of development contracts.

Adjustment programmes have taught developing countries and industrialised nations alike that everyone involved has to respect the development contract, once it has been adopted by common agree-

ment, and undertake to adhere to its guidelines — provided, of course, that assumptions on external economic forces dictate no changes.

Alongside the national governments, the major industrialised nations, big developing countries, Bretton Woods institutions and international organisations both inside and outside the UN system need to be involved.

Another possibility is to set up a financing plan which encompasses IMF loans intended to restore the balance of payments, development bank loans to assist sectoral adjustment, bilateral aid grants for basic requirements, and financing which combines bilateral aid and export credits to import specific products, capital goods and services. Some of the loans should be paid over quickly and others should go through the conventional project examination process. Costs should be shared in the light of specific assumptions about the roles of the parties involved.

An institutional framework for this plan could be an improvement on the present advisory groups and round tables. Provisions brought in with this in mind should ensure fair and just involvement and a central role for the developing countries concerned. General coordination of the political and economic aspects of the development contract system should be carried out in the UN organisations.

This sort of broad system should be based on larger and more predictable grants of aid. The 0.7% official development assistance target — which is only a minimum for the 1990s — has to be attained by all donors.

## Partnership between citizens in North and South

Over the past few years, and despite all the contradictions, the NGOs have maintained a North-South dialogue which had otherwise come to a halt at Canoun in 1981. They have managed to make up for various international shortcomings in the economic and social crisis which has hit many of the countries of the South. They have also taken over many social projects excluded from the adjustment programmes. Yet the comfortable paternalism of a simple transfer of ideas or resources has to be replaced by proper contracts in which the two parties commit themselves for a specific period and run the risk of the operation together. The idea here is to get beyond the unequal relations in which

all the risk is on one side and all the moral advantage on the other.

A code of good conduct between associations in the South is the essential basis for a proper partnership. So, in Cotonou, it was decided that:

— cooperation, being an unavoidable reality in a world reduced to a planetary village, was essential;

— a renewed partnership was vital, although the reasons for it and the motivation behind it had to be clear;

— in addition to financing, a partnership needed a long-term relationship in which decision-making powers were shared and methods and operations were transparent. This meant development education, information sharing, the mutual assessment of achievements and greater financial autonomy for the South;

— one of the essential aspects of NGO action was the boosting of their ability to affect the preparation and making of decisions at the various levels of national and international life. NGOs in North and South had therefore to join together to identify common themes and subjects of concern worldwide, thereby giving themselves the possibility of proposing alternatives to the present strategies.

The end of the cold war, followed by the collapse of the Soviet bloc, against all expectations, has opened the way for new forms of violence at both national and international level.

East-West-South cooperation has to develop along original lines if it is to take up the new challenges. The deterioration of the environment, the proliferation of nuclear weapons, international migration, AIDS, drugs, internal conflicts and, above all, the explosive forces of poverty are issues which concern the whole of the international community.

Tackling them means setting up more stringent international cooperation machinery.

The UNO should organise a North-South summit to seek the foundations of a more efficient system of coordinating macro-economic policies between the industrialised and the developing nations.

The NGOs can be a dynamic means of transferring aid to a sustainable form of development.

This is the only way in which cooperation and solidarity can again become the means of forging a common destiny. ◯

M.-A. S.

<sup>1</sup> The international meetings in Cotonou run by the Fondation de France on 7, 8 & 9 January 1991 brought together 150 participants, 80 NGOs and 80 countries from North and South.



## Microprojects in Swaziland\*

Reflecting the growing realisation that, in development as in other fields, small projects on a human scale sometimes offer better chances of success, the idea of microprojects was first put forward during the Lomé negotiations in 1974/75. Adopted 'on an experimental basis' at that time, microprojects have since been confirmed as a highly effective EC aid instrument.

Projects qualify as microprojects if they meet a priority need expressed and identified locally, and if they are run on the initiative and with the involvement of the local community benefiting from

\* This is an abridged version of a text which appears in a brochure on EDF microprojects in Swaziland, recently published by the EEC Delegation in Mbabane.

them. Typical projects are rural water supplies, dip tanks, schools, woodlots, small enterprise projects and footbridges.

Microprojects are a way of making significant improvements in the living conditions of rural populations, particularly the poorest and most isolated sections who are cut off from other types of development aid. For rural populations, they are often the only instrument of progress available, particularly for women and children. The implementation of a microproject often involves the setting up of a project committee which helps the community to assume responsibility and develops local management capacity. This new organisational ability then underpins the future

running of the project. In this way, both the sustainability and the impact of the project are improved.

Microprojects are growing in popularity and extent. Currently, nearly half of the ACP countries have chosen to take advantage of this particular form of cooperation, although they still represent a small proportion of the overall aid made available under the Lomé Conventions (2.5% under Lomé III).

Swaziland is one country that has a high proportion of its development assistance from the EC in the form of microprojects — over 15% of the Lomé III National Indicative Programme (ECU 3 million) was allocated for this purpose and although the figure is somewhat lower under Lomé IV it is still a substantial component in the overall programme (ECU 2.2 million or roughly 9% of the total).

The big increase in the commitment to microprojects in Swaziland which took place under Lomé III was accompanied by a conceptual change in the way they were to be administered. A largely autonomous MPP Unit was established consisting of an EC-funded technical assistant as project manager supported by local staff for financial control, project appraisal and monitoring. The flexibility with which such an independent unit could operate soon proved to be a major advantage. It became clear at an early stage that the Government ministries had a much more limited capacity for this type of activity than had previously been supposed but, instead of grinding to a halt when faced with this obstacle, the MPP Unit was able to adjust and keep moving.

It started working more closely with NGOs, who were often closer to local communities and were well-placed to ensure that beneficiaries were appropriately trained. The MPP also strengthened its direct links with the beneficiary groups and implemented some projects itself, or even devised innovative ways of utilising assistance from private commercial firms.

In this way, the MPP Unit became a catalyst for mobilising many parties concerned with rural development. It is to the credit of the Swaziland Government that it saw the necessity of flexible and autonomous management of the Unit. The latter's responsiveness to community



*Microprojects in Swaziland take many different forms. Above, a pedestrian bridge over a by-pass in Mbabane. Below, the Ebufaneni Women's Association garden project*



## 'We are determined to have our road' The Hhuhhuma experience

The Community of Hhuhhuma is situated in the Shiselweni region of Swaziland, close to the South African border. It has a population of approximately 3000. The nearest clinic, Our Lady of Sorrows, is 11 kilometres away but, as there was no road to Hhuhhuma, adequate health facilities were beyond the reach of the majority of the community. To reach the main Hluti-Nhlangano gravel road meant a walk of four to six kilometres over very rough ground — a long way to carry a sick child or adult.

Led by its Development Committee, the community decided that it had to do something about the desperate need for an access road. Approaches were made to the Government's Public Works Department and, after much waiting, a bulldozer did arrive to do an initial cut for a 15-kilometre stretch of road. The bulldozer, however, was unable to remove many of the rocks which it encountered and the community, therefore, set about the task by hand. Rocks were heated by burning with dried cow dung, and dowsed with cold water to split them. Using crow bars, warrior chants and brute force (amidst much laughter), the people were able to clear the massive rocks and the road began to take shape. Under the hot sun, as many as 170 local people laboured on the road every day but, even so, progress was slow.

At this point, the project came to the attention of the EDF/MPP Unit which, impressed by the community involvement and determination, accepted a proposal for assistance.

The MPP Unit provided culverts, gabions, cement and crushed stone to build the four bridges, and finance for the hire of the bulldozer.

The community, helped by a volunteer from Skillshare Africa, taught themselves enough about bridge-building to complete the first two bridges successfully. As one local resident said, 'we are determined to have our road'.



The Courier

### *The Hhuhhuma road takes shape*

Two years after the decision to go ahead with the project, the road is now nearing completion. Already, there is a combi taxi running a service to the area (and, hopefully, a bus service will soon follow). The road has also allowed building materials and inputs to be brought in to set up a poultry project which now sells meat and eggs to the local community and provides a cooperative of 21 women with a valuable source of independent income. The Save the Children Fund uses the road to deliver food rations to the previously inaccessible primary school, which had a high malnutrition rate among its pupils.

All of this is the result of one community deciding to take on responsibility for its own development. The EDF/MPP Unit is proud to have been able to support them.

needs and its ability to give an immediate reply to requests is undoubtedly the secret of its success. More than 200 projects have now been implemented, bringing social and economic benefits to more than 85 000 people.

In the early phase of the programme the majority of projects were for building schools. More recently, however, requests have increasingly focused on income-generation and rural employment creation. Such projects are more demanding in terms of appraisal, the training that is required, and follow-up than those in the social sector, and plans are under way to strengthen the MPP Unit's ability to respond to this challenge. In the first four years (under Lomé III), the projects implemented with the Unit's

assistance represented almost 4% of the total capital expenditure of the Swaziland Government — an extraordinary achievement when one considers that the Unit has a staff of only ten people!

Under Lomé IV, the existing arrangements are set to continue, with the emphasis increasingly on income-generating projects. On the organisational side, the only major change is that the management of the MPP Unit will be localised. It is worth noting that the figure of ECU 2.2 million does not include technical assistance, which is now accounted for separately. The reduction in funds for microprojects is, accordingly, less than the raw figures imply.

Projects that can be funded fall into four main categories:

*Agricultural:* Irrigation, dams, wells, vegetable gardens, crop production, live-stock and animal husbandry, dip-tanks and forestry.

*Social infrastructure:* Education (schools), non-formal education (such as workshops for carpentry or tailoring), health care (rural clinics or maternity wards), women's and youth group activities, cultural and community centres, rural water supply and sanitation.

*Economic infrastructure:* Markets, warehouses, stores and silos, craft industries and premises to encourage commercial activities, rural electrification and agro-based industries (such as mills and oil extractors).

*General infrastructure:* Minor roads, minor bridges and footbridges.○

## South African Church leaders call on EC to help end violence in their country

A group of prominent anti-apartheid campaigners from South Africa's Churches flew to Brussels in December for talks with European Community officials and European nongovernmental organisations about the situation in their country. The group was led by the Most Rev. **Desmond Tutu**, Anglican Archbishop of Cape Town, representing the Kagiso Trust, an organisation in receipt of funding from the EC Commission which works to promote the economic and social advancement of the people of South Africa. After a meeting with Jacques Delors, President of the EC Commission, the delegation said it had satisfactorily resolved some concerns over the level of consultation between the EC and the Trust over its programme.

Addressing a joint meeting of the European Parliament's Development Committee, its Foreign Affairs Committee and the European members of the ACP-EEC Joint Assembly on 2 December, Archbishop Tutu expressed his people's deep appreciation of the support the Community had given in the struggle against what he described as 'one of the most vicious systems since Nazism', and thanked it for aiding the South African people through the special programme for the victims of apartheid, which had provided many young people with education, detainees with legal assistance and their families with material support.

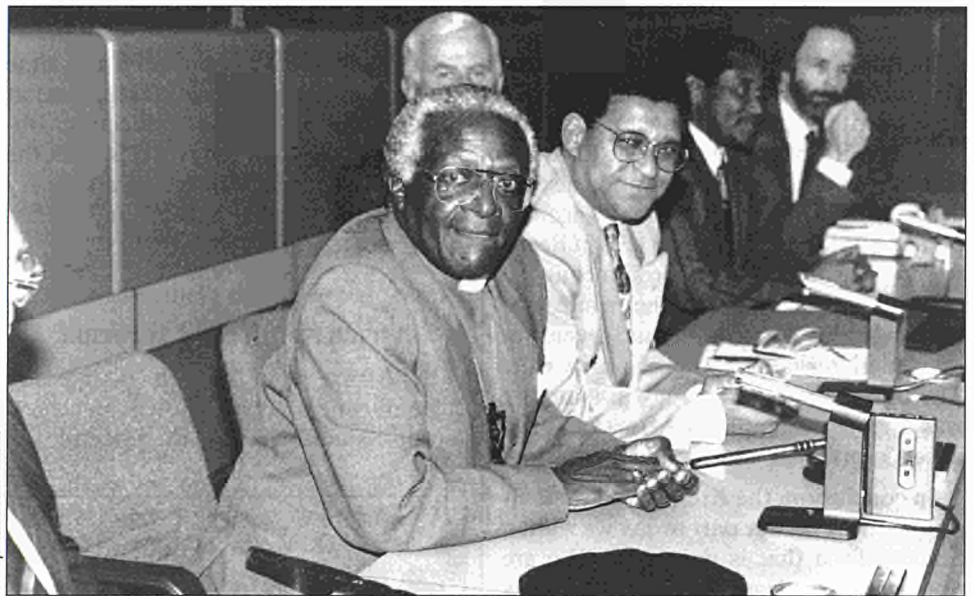
South Africa, the Archbishop said, had touched bottom in terms of violence. It was a complete misnomer to describe this as black-on-black violence, or tribal or ethnic, or even, in the case of the random killings on trains, political. Responsibility lay with a third force. 'The military in South Africa have had an interest in fomenting this violence and it almost always happens at specific times. (...) Because there are now talks in the offing, the violence has escalated again, as if there were someone who was able to turn it on and off at their whim.' Archbishop Tutu appealed to his hearers to exert as much pressure as possible on all the politicians in South Africa to get them to

stop playing games which were costing lives and destroying the economy.

The date of 1994 set by the State President for elections was too far away, the Archbishop said. 'We would want to move rapidly to a situation where there is an interim government widely accepted by the people of South Africa and we should have a constituent assembly, democratically elected, and we should ultimately have a government that the people of South Africa have chosen freely.' Violence was not likely to end until there was multi-party control of all the security forces, including those of the ANC, Inkatha and others.

of government corruption in South Africa, as well of abuses in the ANC, both of which the Churches had condemned. Europeans should press South Africa for political change as soon as possible.

The Rev. **Allan Boesak**, co-founder of the United Democratic Front, then briefed the MEPs on the talks under way between the ANC and the South African Government. To halt the violence, he stressed, there must be free and fair elections before 1994, leading to a constituent assembly, parliamentary elections and South Africa's first democratic government. Economic decay and social decline were leading to deep political instability, a process which could only be halted when there were negotiations leading to concrete results. However, the Government's increasingly clear collusion in the violence was having a negative impact, Dr Boesak said. Its renewed interference in Angola, too, showed that it had reverted to the pattern of destabilising the region as well. A body like the



*Archbishop Tutu and Dr Boesak in Brussels*

Archbishop Tutu continued with an appeal. 'Please don't be over-hasty in saying things have changed to such an extent in South Africa that apartheid has ended. Apartheid has not ended, and even when the legal support for apartheid has been removed the apartheid status quo remains... because, for the victims of apartheid, hardly anything has changed — Nelson Mandela does not vote, almost all of us here, who are black, don't vote.' He hoped, too, that his hearers would react strongly to revelations of the extent

European Community should keep the whole context of the region in mind when deciding its response to the situation in South Africa itself.

Among MEPs who spoke, the chairman of Parliament's Development Committee, **Henri Saby**, considered that curing South Africa of its sickness would need care and patience. The EC should step up its financial aid to further that process. The joint chairman of the ACP-EEC Joint Assembly, **Maria Luisa**

Cassanmagnago Cerretti, called for all the different components of South African society to work together and urged President de Klerk to move further and faster.

The Secretary-General of the Southern African Catholic Bishops' Conference, Brother **Jude Pieterse**, made clear that funds under the EC-financed programmes of the Kagiso Trust were not given to projects submitted by political parties or the so-called homeland governments.

Archbishop Tutu said one result of apartheid was that South Africa had never had a culture of tolerance. Those holding opposing views were met with vilification, detention, even assassination. South Africans needed to learn a lesson which the Archbishop's father had taught him: 'Improve your argument, don't raise your voice.' In negotiations people did not get all they wanted, so all parties would be advised to compromise. Even the ANC was calling for a government of national unity, to reassure the fearful, even if one party won a majority in elections. The most effective incentive from outside for progress and an end to the violence was to promise massive investment in return, not to threaten sanctions if nothing happened. To allay fears about the future, it was not true that democratisation was inevitably accompanied by violence; recent events in Benin were the proof. Blacks were not out for revenge: in Zimbabwe, the white minority leader Ian Smith had even remained in Parliament after majority rule. The transition to democracy in Namibia was a recent example in Africa of tolerance, forgiveness and reconciliation.

In conclusion, the Archbishop said: 'It is not a trick on our part to say we want a South Africa that is non-racial. We are not trying to please you. It is for us a deeply religious matter, and that is why we fought against apartheid, and I want to tell you we will fight against any other injustice and oppression, whoever perpetrates it. And I have gone round Africa as the President of the All Africa Conference of Churches and told them evil is evil whoever perpetrates it. (...) What we are working for is not a black South Africa. We are working for a truly democratic South Africa where people are people because they are people, created in the image of God, and are members of the family of God and our sisters or brothers whether they like it or not.' ○ R.R.

## ILO's 1992 World Labour Report Rise in joblessness and exploitation

The International Labour Office's 1992 World Labour Report, released last summer, is the first in a new series being published by the organisation. Designed to reflect the current changes in the international scene, the Report is divided into four chapters, dealing with the following topics: human rights, employment, labour relations, and social protection and working conditions. In a year of tremendous political upheavals and economic recession, the 1992 Report makes grim reading for workers and trade union activists across the globe. It is often a tale of murder and imprisonment, but above all, of joblessness and exploitation, particularly of women and children, under both democratic and dictatorial regimes.

Unemployment is inevitable at a time of recession, but the breathtaking rate at which it is increasing (reflecting obviously the depth of the crisis) is what the Report highlights with practically every part of the world, except South-East Asia, severely affected.

### Africa: a gloomy forecast

In Africa nine million people are currently unemployed in towns and cities. In sub-Saharan Africa, the unemployed

represent 18% of the urban labour force up from 10% recorded in the mid-1970s. With the number of productive jobs expected to increase by only 2.4% per annum by the end of this decade, the number of the urban jobless is expected to rise from 9 million to 28 million (an increase of about 310%). Most of these people will be, as they are today, young, educated men and women. The report observes the irony that 'while education and training might be thought as the keys to future employment, in fact in Africa the more educated you are, the less likely you are to find suitable work'.

The continent's poor economic performance, the worst of any region in the world, is, of course, largely to blame. But there is no denying the fact that the systems of government introduced after independence have contributed to the current situation. These were systems that muzzled trade unionism in various ways, fostered corruption, nepotism and tribalism and prevented workers and employers from working together for the good of society and of the nation.

The report, however, welcomes the wave of democratisation sweeping across Africa, which is already having a positive effect. 'There is a trend now', it says, 'for governments to reduce their level of involvement in labour issues and to allow or invite unions and employers to participate more to resolve issues themselves... In this new environment trade unions have also become more active. They are frequently the only mass organisations which cut across tribal lines, so they can offer a political focus in countries where opposition parties have previously been outlawed. Indeed they have often been key actors in the transition to democracy'.

### Mass labour migrations: need for planning and control

For parts of the world that have been used to full or near full employment, the current situation must be particularly painful. Unemployment in the indus-



*Farm hands awaiting recruitment in Uganda*

trialised market economies stands at 7%. Over 28 million people are out of work in the 24 countries of the OECD.

In Eastern Europe the number of those without jobs will soon reach 15-20% of the labour force as newly privatised industries shed excess labour, and governments remain preoccupied with political stability.

Only in South-East Asia are there shortages of labour, the report says. In Japan (1.46 vacancies for every job seeker), Singapore, Hong Kong, South Korea and Taiwan, where low birth rates and increasing reluctance of school-leavers to do menial and difficult tasks in factories and at construction sites have left huge gaps in the labour market, there are now thousands of overseas workers, most of whom are illegal immigrants from the Phillipines, Pakistan, Bangladesh and other neighbouring countries. The report estimates that of the 300 000 workers on the move in the Pacific Rim, half are illegal immigrants.

There are also large movements of migrant workers across Western Europe, particularly from Eastern Europe and the former Soviet Union. With the latter countries unable to provide unemployment benefits or other forms of social security and with wages eight or ten times higher in Western Europe than those available at home, 20 million people could decide to move. The report warns that such flows need to be planned and controlled to avoid serious disruption, and regrets there is as yet no international agreement on how this could be achieved.

### Protection of workers and child labour

The report points out the risks being faced by organised labour throughout the world: the violent deaths of trade unionists in Latin America and their imprisonment and torture in a number of other countries, including the Phillipines, China, Sudan and in Israel's occupied territories. These are the heavy prices being paid to secure protection for workers.

Unfortunately many groups of workers continue to survive without any protection whatsoever, among them child labourers, whose numbers are increasing, not just in absolute terms but as a proportion of the world's children. 'The



**Kanuri women in Northern Nigeria returning from the rice harvest.**  
*Women and children are the two most exploited groups*

Source: FAO

exploitation of child labour is one of the most disturbing aspects of the international labour scene,' the report laments. Employed to work in all kinds of places — in quarries, mines, carpet factories, brothels, etc., they often earn as little as seven dollars a week for a 12-hour day.

Although exact figures are difficult to come by, the report estimates that Asia has some of the highest numbers of child labourers — up to 11% of the total labour force in some countries. India probably has as many as 44 million. African countries are reported to have up to 20% of their children working — about 17% of the total workforce. Twelve million children are said to participate in various categories of work in Nigeria. Child labour is, of course, not confined to the developing countries. 'Italy has some of the highest numbers in Western Europe. Spain, too, has significant numbers. In the United Kingdom, a survey in 1985 discovered 40% of children questioned were working, the majority doing so illegally, either in terms of the hours they worked or the jobs they were doing. In the United States, the majority of child workers are employed in agriculture and a high proportion of these

are from immigrant families,' the report claims.

It recognises that, although poverty is the driving force behind child labour, many children work because 'there is nothing else to do: schools are unavailable, inadequate or too expensive'. However, the consequences of work on the health of a child can be devastating. Soft bones can be deformed by long hours of work and eyesight damaged by sustained concentration.

If children have to work, measures need to be taken to support and protect them. The report cites the case of Brazil, where the Government works with voluntary agencies in providing counseling and health services to working children. However, in the immediate term, it recommends the removal of children from dangerous sites and an end to their involvement in extremely difficult tasks and immoral jobs. The long term aim, it says, must be the elimination of child labour altogether. To this end there should be, as a first step, the enactment and enforcement of legislation by governments limiting the basic minimum age for work in all sectors of the economy.○

Augustine OYOWE

## Scientific research and the coffee crisis

by Antoine LABRY \*

Collapsing prices have hurt coffee producers everywhere, especially producers of Robusta in Africa. Researchers are playing their part to contain the effects of the crisis by looking at the problems of the quality and competitiveness of African coffee.

'There is no point in asking for a quota for African coffee if the producers are then unable to provide good quality beans to fill it', Mr Mpungi Buyungu, Deputy Secretary-General of the Inter-African Coffee Organisation, points out, in a good summing up of the present drive to obtain a stable and remunerative price, if possible via an international agreement, and to improve the quality of the product and restore an image which has become seriously tarnished over the past few years. The first thing, the price of coffee on the international market, has essentially to do with the negotiations which the International Coffee Organisation (ICO) is running with a view to getting the international agreement renewed.

But, Mr Mpungi warned, 'in view of price levels over the past few years, the price bracket to be used under this new agreement (if ultimately reached) will have to be low in comparison with the last one. We therefore have to concentrate on productivity and bring down the cost of producing African coffee, which is currently too high', despite the low cost of labour on the traditional holdings which still dominate the West African coffee industry.

### Selling at a loss

The situation in Côte d'Ivoire bears this out. The break-even price in the industry there is CFAF 340 per kg (CFAF 1 = FF 0.02), but this year's top price on the international market is CFAF 190, so the State, through the stabilisation fund, is subsidising coffee to the tune of CFAF 150 for every kilo sold — an obvious paradox, for the nation's biggest earner up until 1988-1989 is now a financial burden on the State.

Professor René Coste, former director-general of the IRCC (the coffee and cocoa research institute), says that one aspect of the productivity problem is that industrial crops and food crops are vying for space and, assuming more land is used for food crops, the coffee yield per hectare will have to improve if output is to be maintained. 'Is it reasonable for Côte d'Ivoire, where demographic expansion is high, to use such large tracts of some of its best land for such a poor proposition? How is it that yields on village plantations are still stagnating at around 150 kg per ha while industrial plantations can turn out 1500 or 2000 kg? And above all, is it reasonable to have these industrial plantations occupying only a tiny amount (about 100 000 ha) of the country's 1.3 million ha of coffee-growing land?

Benoît Daviron and François Lerin say much the same<sup>1</sup>: 'Pioneers and clearers of virgin forests are no longer responsible for most of the increases in world production. The intensification of coffee

production, an idea which came much later to this industry than to other agricultural products, is now becoming the key to the market and competition between producers'.

Côte d'Ivoire is now paying for its negligence in growing food only on the ever rarer stretches of land left free by coffee and other export crops. *Fraternité Matin*, the Government daily, which does not make a habit of criticising the authorities, sounded the alarm in mid-August. Under the headline of 'Famine at the gates', it announced that Côte d'Ivoire was in danger of food insecurity, 'as a prelude to unprecedented poverty'. Although the drought, an unusually severe one for this country, had something to do with all this, the Abidjan daily thought that a policy which had 'always' neglected food crops was also to be blamed for the ongoing situation. There were 100 000 t of fertiliser for the nation's 400 000 ha of industrial export crops in 1985, it says, both figures being 10 times greater than those for food crops grown for the local market.

Professor Coste also criticises the fact that there is no proper agricultural policy. 'What chance is there of the researchers, who have warned the authorities time and time again, responding to such a run-down situation?', he wants to know. And Mr Mpungi backs this up, pointing out that 'productivity depends essentially on the authorities', a reference to the marketing systems and the amounts hived off at every stage in the process. The coffee and cocoa industries of most of the producing countries in Africa are indeed being overhauled, but political resistance, which varies in extent from one country to another, impedes progress. But the quality of African coffee has got to be improved, because the competition from Arabica is severe.

### New dynamism for research

African coffee needs a brighter image in the leading consumer countries and, with dwindling prices and the demand for diversification of African agriculture, productivity has to be boosted too. Research can help with both of these, provided it is given new lease of life.

<sup>1</sup> 'Le Café' — Benoît Daviron & François Lerin — Editions Cyclope, Economica — Paris — December 1990.

\* SYFIA.

A progress report on African coffee research run for the CTA (Technical Centre for Agricultural and Rural Research) by the IRCC<sup>2</sup> has shown just where the weak points lie. For a start, financial means are short. 'With the price slump in 1986-1991', it says, 'the countries of Africa are no longer in a position to finance agricultural research and development. There has been a slow down in production as a result, followed by a period of stagnation and ultimately decline, while research activity is tailing off and has even been stopped altogether in some countries'.

Another handicap, the report says, is that the researchers have to work in isolation and are cut off from the producers. 'Their international contact tends to be with the scientific centres where they trained or with the expatriate researchers who work with them'. The African research network currently being set up under the auspices of the IACO (see box) could be a good answer.

### Robusta could recover

However, Robusta coffee is not in such a poor position as is generally supposed. E.D.F. Man, the coffee handler, who is as much an authority on statistics as the ICO, brought out a report in July saying that Robusta had maintained its share of the market since the international agreement broke down in July 1989 and still accounted for 30% of final demand at international level. However, performance in terms of market share is one thing. Prices are another and, since the agreement broke down, the gap between Robusta and Arabica has widened.

The price differential can be reduced if the consumer stops thinking of Robusta as poor quality, bottom-of-the-range coffee. But this, of course, means making an effort with quality from the start, with proper monitoring to do away with all-too-common practices like the virtually black market exports of coffee plant waste which roasters then incorporate into the Robusta coffee sold to institutions. Scientific research, however well-intentioned, can do little about this. ○

A.L.

<sup>2</sup> 'Recherche cafétière en Afrique' — IRCC — Paris — 1992.

## An African coffee research network

A seminar on improving the productivity and quality of African coffee was held in Lisbon on 22-26 June. It was a joint event run by IACO, the Inter-African Coffee Organisation, and the CTA, under the auspices of the Portuguese Government, and it brought together some 30 research workers from 16 African countries, independent experts and representatives from the EEC and European research centres. The main outcome, practically speaking, was the formation of the African coffee research network.

The new network, which will have its headquarters in Abidjan, is to work on jointly-selected, priority research topics, disseminate information to researchers in the various IACO member countries and coordinate research policies to avoid duplication. Research institutes in the EEC (for example the French coffee and cocoa research institute (IRCC) and the British Natural Resources Institute, representatives of which contributed actively to the discussions at the seminar) will be associated.



*The big achievement of the Lisbon seminar was to set up an African coffee research network*

### Tasting Robusta coffee in Abidjan

One thing the network could do is open a Robusta coffee tasting laboratory in Abidjan. As one participant at the Lisbon seminar put it, 'you tell good coffee by how it tastes in the cup', and a tasting centre should be a better way of selecting exportable coffees and doing something about the consumer's currently jaded image of African Robusta.

Longer term but equally essential schemes will also be run. A full-scale inventory would mean that the collections of coffee strains existing in the different countries could be listed and then pooled. In particular, the collection at the Divo Research station in Côte d'Ivoire needs to be looked after. This is 'unique in the world today', Professor Coste maintains, 'but it is under threat because there is no money to keep it going'. There are two major centres housing basic collections in Africa, one of Arabica in Ethiopia and one of caffeine-free coffees on Madagascar. If the fruits of national research are indeed to be pooled in this way, the States have to agree to deny themselves the exclusive advantages of having them. But will they? It all depends upon what happens to the African countries in the face of the competition on the international market.

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'Trading with South Africa: The policy options for the EC' — Sheila Page and Christopher Stevens, Overseas Development Institute, London, 1992. ISBN 0 85003 187 7, 78 pages, £20.

South Africa's largest export market is the EC, which takes 25% of the total, mainly in the form of primary and semi-processed goods (only 7% of South African trade is with the rest of Africa).

However, the EC takes a much larger share of the ACP countries' exports. This study of the various trading arrangements which the EC countries could offer South Africa as it moves towards majority rule takes as its starting point the view that South Africa, in economic and social terms, is not, as commonly perceived, a developed country but is comparable with a middle-income developing country.

If South Africa were classified as a developing country, it could gain certain aid and trade privileges. The report looks at a range of possible trading arrangements with the EC, most of which would involve such a reclassification. The authors consider the effects of preferential access to the EC market for various South African products, particularly the potential disruption to developing country or EC interests and areas of potential competition between South Africa and the ACP States.

The authors consider that South Africa, as a country attempting major economic restructuring and a movement to a more democratic regime, meets normal criteria as a suitable candidate for external assistance for long-term development and short-term adjustment. However, offering South Africa special trading arrangements could be damaging to some producers in the ACP, the EC and elsewhere; the report gives copious details of where and how this might happen. Joint production with industries in neighbouring Lesotho, Botswana, Swaziland and Zimbabwe could well benefit South Africa at their expense.

Little would be gained from preferential trade regimes, the study concludes. Consideration should be given to other forms of external assistance in the sectors where South Africa's needs are greatest, and which would as far as possible assist its neighbours and other developing countries. ○

R.R.

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Jean de La Guévière — *Voyage à l'intérieur de l'Eurocratie* (Eurocracy — Journey into the Interior) — 'Actualité' series, Le Monde Editions, 15 rue Falignière, 75015, Paris — 197 pages — FF 98 — 1992.

The writer, born in 1937, went to Le Monde, the French daily, in 1970. He worked on the black Africa, Asia and Maghreb desks, was deputy head of the foreign service for five years and then came to Brussels in September 1990.

This is no doubt the secret of his thorough knowledge of the world of the Community, not just the official side of it all, but its day-to-day living — which he describes with some piquancy. All the institutions are pictured, sometimes with eloquent nicknames. The current 47-building Commission and its 17 Members, for example, are labelled: 'Prima donna and chorus'. The Council is the Community's 'high mass', with 47 services behind it, 'not all of them historic'. The importance of COREPER is highlighted, and rightly so while the role of lobbying is recognised. Finally, Parliament's constant shuffling back and forth of trunks full of paper, its '518 tender consciences' and even the bickering over its seat are wittily rendered. Mistakes have crept in, however, with, for example, promotion, which has always taken longer in the Commission than the Council and particularly the Parliament. But by and large, this is an up-to-date and well-researched piece of work which, although primarily intended for French audiences, will be useful to anyone with an interest in current affairs. ○

A.L.

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Claude Albagli — *Economie du développement: typologie des enjeux* (Development economies — the challenges classified) — Preface by Christian Labrousse — Librairie de la Cour de Cassation, 27 Place Dauphine, 75001, Paris — 349 pages — FF 150 — 1991

The first paragraph of the preface, a summary of the Third World and all its paths to development, says it all. According to Christian Labrousse, who is a professor of economics at Paris University (Panthéon Assas); 'As far as history is concerned, the 1990s will be the years when Marxism fell and Third World theories collapsed. Miracle development methods now appear as the

Utopias they really are, often only pipe dreams at total variance with economic reality. Let us be clear about it. Raising the standard of living of the people of the Third World means increasing the wealth they produce and genuinely restricting demographic growth'.

But let it not be thought that perusal of the pertinent comments in the preface can be a substitute for reading the book itself, a didactic and comprehensive work which will be of interest to the economics student and to anyone who realises that the fate of those four billion people in the Third World, those 80% of the population of the globe living in its poor countries, is of crucial importance to the planet as a whole. Strikingly, two of the Third World countries, China and India, contain more than half its population, so, obviously, an efficient solution to their problems would cause a beneficial overturning of the economic data of the whole planet.

Albagli's book is in two main parts. Part one, on a shattered Third World, is in six chapters, one each on China, India, South East Asia, the Islamic countries, Latin America and Black Africa. Part two, questions on the Third World, is divided into six issues which are crucial to development — population, subsistence, trade, energy, debt and power.

Courier readers will find Part I, Chapter VI, on Black Africa, particularly interesting. This part of the world, the writer says, 'has indeed slipped out of the major economic changes of the past 30 years. The predictions of the 1960s suggested faster development for Africa and a sombre future for Asia. But the reverse has happened — failure, for which misguided strategy is very much to blame, with a moribund productive system bringing social decline in its wake. Between a traditional society with the cracks showing and a consumer society which they cannot attain, the frustration of half a billion Africans is mounting'.

Reasonably enough, much is made of population growth. Let us not forget that there were about 200 million people in sub-Saharan Africa in 1950, but the population numbers nearly 500 million today and is increasing by 15 million per year — the same figure as in China, whose total population is some 1.1 billion.

For sociological and religious reasons, these were very delicate issues to tackle 30 years ago when the demographic situ-

*Continued on inside back cover*

# THE CONVENTION AT WORK

## EUROPEAN DEVELOPMENT FUND

The Commission has taken decisions to finance the following schemes from the 5th, 6th and 7th EDFs.

### — 8 October 1992

**Kenya:** Grant of ECU 3 500 000 (emergency aid) to help with humanitarian organisations' assistance programmes for Sudanese, Ethiopian and Somalian refugees, displaced persons and victims of drought and the ethnic conflict in Kenya.

### — 22 October 1992

**Solomon Islands:** 7th EDF grant of ECU 1 750 000 for a human resources development programme (rural training centre).

**Mauritius:** 7th EDF grant of ECU 1 700 000 for fruit fly control.

**Seychelles:** 7th EDF grant of ECU 425 000 for environmental protection.

### — 26 October 1992

**Botswana:** 7th EDF grant of ECU 1 000 000 for technical assistance to the Department of Hydraulics.

**Mauritius:** 7th grant of ECU 1 960 000 for the Rodrigues Natural and Agricultural Resource Management Project.

**Niger:** 7th EDF grant of ECU 1 100 000 to promote women's organisations and activities.

**Togo:** 7th EDF grant of ECU 1 200 000 for agro-forestry in Northern Togo.

### — 27 October 1992

**Burkina Faso:** 7th EDF grant of ECU 15 000 000 for the RESO programme (development of water resources in the south west).

**Côte d'Ivoire:** 7th EDF grant of ECU 11 200 000 for support for the health sector.

**Ethiopia:** (Eritrea) 7th EDF grant of ECU 19 800 000 for a short term re-

construction + recovery aid programme for Eritrea.

**Burundi:** 7th EDF grant of ECU 11 500 000 to improve access to the town of Kirundo.

**Mozambique:** 6th EDF grant of ECU 1 000 000 to redevelop the Port of Beira.

**Mozambique:** Grants of ECU 30 000 000 (SAF) and ECU 15 000 000 (NIP) from the 7th EDF and ECU 9 700 000 (SIP) from the 6th EDF as support for the 1992 structural adjustment programme and for a general import programme.

**Sao Tome & Principe:** 7th EDF grant of ECU 1 500 000 (SAF) for a sectoral import programme to support structural adjustment.

**Tuvalu:** 7th EDF grant of ECU 900 000 for a fuel import programme.

**Tuvalu:** 6th EDF grant of ECU 1 020 000 to develop the power supply network.

**Antigua & Barbuda:** 6th EDF grant of ECU 2 100 000 and a special loan of ECU 1 000 000 to improve Antigua's roads phase II).

**All ACPs:** 7th EDF grant of ECU 7 200 000 as a general budget for projects to be run by the ACP Secretariat-General.

**All ACPs:** 7th EDF grant of ECU 6 650 000 for ACPs and ECU 950 000 for OCTs to finance under regional cooperation ACP and OCT contributions to trade and services development schemes.

**Equatorial Guinea:** 5th EDF grant of ECU 660 000, 6th EDF grant of ECU 400 000 and 7th EDF grant of ECU 540 000 to rehabilitate the M'Bin-Akalayong road.

**Sudan:** 7th EDF grant of ECU 3 000 000 emergency aid contributions to humanitarian organisations' schemes for victims of the drought and the fighting in Sudan.

### — 12 November 1992

**Burkina Faso:** 7th EDF grant of ECU 1 600 000 for studies on the periodic maintenance of asphalted roads.

**Angola:** ECU 1 000 000 from the 7th EDF as emergency aid to be disbursed immediately to help victims of the conflict.

### — 20 November 1992

**Guinea Bissau:** 5th EDF grant of ECU 4 200 000, 6th EDF grant of ECU 3 600 000 and 7th EDF grant of ECU 4 200 000 for an infrastructure rehabilitation programme.

**Benin:** 7th EDF grant of ECU 11 846 000 for a programme to support the Republic's health policy.

**Madagascar:** 6th EDF grant of ECU 2 250 000 for a programme to equip slaughterhouses in secondary towns.

**All ACPs:** 7th EDF grant of ECU 2 700 000 to inventory training opportunities in the ACP States.

**Eastern Africa:** 7th EDF grant of ECU 6 160 000 (comprising ECU 5 160 000 from the regional indicative programme for Eastern Africa and ECU 1 000 000 from Kenya's national indicative programme) to develop and apply tsetse fly management technology.

**Congo:** 6th EDF grant of ECU 1 000 000 and 7th EDF grant of ECU 9 000 000 to support the private sector and promote SMEs.

### — 26 November 1992

**All ACPs:** 7th EDF grant of ECU 30 000 000. This is a proposal for a global commitment authorisation to finance multi-annual microproject programmes through the expedited procedure.

### — 8 December 1992

**Somalia:** 5th and 6th EDF grant of ECU 5 000 000 to help victims of civil war and drought.

### — 17 December 1992

**Caribbean region:** (Cariforum — 15 Caribbean ACP States) 7th EDF grant of ECU 1 900 000 for a programming unit.

### — 18 December 1992

**Cape Verde:** 7th EDF grant of ECU 800 000 to improve urban management.

**Swaziland:** 7th EDF grant of ECU 320 000 for population and demography.

**Angola & Mozambique:** 7th EDF grant of ECU 950 000 for TRAINMAR (maritime and port training).

**Angola:** 7th EDF grant of ECU 2 000 000 for teaching material and equipment to back up professional training.

**SADCC:** 7th EDF grant of ECU 700 000 for a rural management training programme.

**Uganda:** 7th EDF grant of ECU 14 500 000 for a human resources development programme.

**Tanzania:** 7th EDF grant of ECU 25 000 000 (NIP) for a telecommunications project in the south.

**Zambia:** 7th EDF grant of ECU 10 000 000 for an export development programme.

**Zambia:** 7th EDF (Sysmin) grant of ECU 60 000 000 for general imports (Sysmin III).

**Zimbabwe:** 7th EDF grant of ECU 28 000 000 (ECU 19 000 000 from the SAF and ECU 9 000 000 from the NIP) for a structural adjustment support programme.

**Mozambique:** 7th EDF grant of ECU 9 000 000 to support the electoral process.

**Mozambique:** 7th EDF grant of ECU 15 390 000 to support the rural health sector.

**Mozambique:** 7th EDF grant of ECU 10 000 000 to support the road and water supply rehabilitation programme.

**Mozambique:** 7th EDF grant of ECU 11 000 000 for the reintegration of refugees and demobilised and displaced persons.

**Burkina Faso, Niger, Mauritania, Cape Verde, Senegal, Gambia, Mali & Chad:** 6th and 7th EDF grant of ECU 9 300 000 (comprising ECU 4 761 881,14 from the remainder of the 4th EDF switched to the 6th EDF and ECU 4 538 118,86 from the 7th EDF) to support a blindness control programme in the countries of the Sahel.

**Chad:** 7th EDF grant of ECU 15 000 000 for a programme to support improvements to road infrastructure and maintenance.

**Benin, Burkina Faso, Côte d'Ivoire, Ghana, Guinea, Guinea Bissau, Mali, Niger, Senegal, Sierra Leone & Togo:** 5th EDF grant of ECU 7 000 000 for a programme to control onchocerciasis in West Africa.

**Congo & the CAR:** 6th EDF grant of ECU 10 000 000 to improve the common waterways maintenance service (SCEVN), phase 2.

**Cameroon:** 6th EDF grant of ECU 4 800 000 and 7th EDF grant of ECU 3 700 000 to support the health services.

**Sao Tome & Principe:** 7th EDF grant of ECU 3 900 000 for water supplies to the town of Sao Tome.

**Gabon:** ECU 6 500 000 (comprising 5th EDF loan of ECU 1 400 000, 6th EDF loan of ECU 3 600 000 and 6th EDF grant of ECU 1 500 000) for primary schools in Libreville.

**Guinea:** 7th EDF grant of ECU 50 000 000 for a road infrastructure programme.

**Guinea:** 7th EDF grant of ECU 15 000 000 for the Haute Guinée Ouest programme (PHGO).

**Benin, Côte d'Ivoire, Ghana, Guinea, Guinea Bissau & Togo:** 7th EDF grant of ECU 12 100 000 for a technical assistance programme for communication and information on environmental protection

**Sierra Leone:** 7th EDF grant of ECU 14 300 000 for a agricultural support programme.

**Sierra Leone:** 7th EDF grant of ECU 20 000 000 (comprising 12 000 000 from the SAF and ECU 8 000 000 from the NIP) for a structural adjustment support programme.

**All ACPs:** Grant of ECU 3 000 000 from the 5th, 6th and 7th EDFs, the second global commitment authorisation from revenue accruing from EDF interest.

**Dominica:** 7th EDF grant (SAF) of ECU 2 000 000 for a structural adjustment support programme (general import programme).

**Anguilla:** 7th EDF grant of ECU 1 710 000 to improve the water supply.

**Dominican Republic:** 7th EDF grant of ECU 23 610 000 for the Linea Noroeste integrated rural development project (PROLINO)

**New Caledonia:** 5th EDF loan of ECU 2 320 000 and grant of ECU 300 000 (remainder of 3rd EDF switched to 5th EDF) to help set up young farmers.

**Central African States:** Grant of ECU 2 600 000 (ECU 600 000 from the 6th EDF and ECU 2 000 000 from the 7th EDF) for the EEC-Central Africa industrial and business forum — FICAC (Cameroon 1993 and Gabon, 1995).

**All ACPs:** 6th EDF grant of ECU 990 000 and 7th EDF grant of ECU 11 858 000 for the CDI's 1993 budget and 1993 supplementary extraordinary budget.

**All ACPs:** 7th EDF grant of ECU 9 346 000 for the 1993 budget of the Technical Centre for Rural and Agricultural Cooperation.

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## EUROPEAN INVESTMENT BANK

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The EIB has just made the following loans.

**Netherlands Antilles:** ECU 4 million to extend the power station on Bonaire.

**Botswana:** ECU 4 million to develop SMEs.

**Ethiopia:** ECU 6 million to repair the telecommunications network in the north.

**Namibia:** ECU 2.5 million to finance a modern tannery able to handle 960 rough hides per day.

**Sierra Leone:** ECU 15.5 million to repair a power station in Freetown.

**Zambia:** ECU 3 million to modernise the facilities in a pharmaceuticals plant which supplies the domestic market.

**Zimbabwe:** ECU 15 million to finance work to double the capacity of the main water purification plant in Harare and ECU 8 million to finance small and medium-sized industrial, agro-industrial, tourist and transport projects.

## STRUCTURAL ADJUSTMENT

### Community support for structural adjustment in the ACP States — lessons and prospects

The Commission agreed with the guidelines set out in Manuel Marin's communication on Community support for structural adjustment in the ACP States at its 1127th meeting on 11 November.

The paper gave a first rough quantitative and qualitative assessment of the Commission's role in the process and suggested a new way of allocating the structural adjustment support resources reflecting the countries' genuine needs and actual performance.

Of the 40 or so countries potentially eligible for the Lomé structural adjustment support resources, 14 — Benin, Burkina Faso, Dominica, the Dominican Republic, Ethiopia, the Gambia, Ghana, Mali, Mauritania, Papua-New Guinea, Tanzania, Uganda, Zambia and Zimbabwe — fulfilled the conditions and were to be told that they would be getting a financial contribution so they could prepare a financing proposal immediately.

The Commission has just officially informed the Heads of State of these countries how much they can each expect from the Community to help with their structural adjustment over the period 1993-1994. The total amount is ECU 417,5 million and will be adjusted to reflect actual needs in 1994.

For the other countries, under the new system, the requisite amount of resources will be officially communicated to each of them as soon as conditions allow — i.e. (provided the countries continue with the process of reform) as soon as financing requirements stop being covered by the previous allocation and a new financing proposal is therefore called for.

## ACP

### Meeting of ACP Council of Ministers, 24-25 November

The 55th session of the ACP Council of Ministers was held in Brussels, under the chairmanship of Tuilaepa Sailele Maille-gaioi, Western Samoa's Finance Minister and President-in-Office of the ACP Council of Ministers.

This end-of-year session, which is traditionally devoted to adopting the budget of the ACP General Secretariat and discussing internal organisation, was also an opportunity to debate the future of ACP-EEC cooperation, in the light of

the Commission publication on prospects for the year 2000.

Views on the subject were exchanged between ACP Ministers and European Development Commissioner Manuel Marin.

## EUROPEAN COMMUNITY

### The new Delors Commission

Members of the new Commission of the European Communities met in the Palais d'Egmont on 22 December to allocate their various duties. Jacques Delors was in the chair. The 17 Commissioners, who took up their posts on 6 January, are listed, together with their functions, below.

**Mr Delors, President, (France):** Secretariat general, Forward Studies Unit, Inspectorate-General, Legal Service, Monetary matters, Spokesman's Service, Joint Interpreting and Conference Service, Security Office.

**Mr Christophersen (Denmark):** Economic and financial affairs, Monetary matters (in agreement with Mr Delors), Credit and investments, Statistical Office.

**Mr Marin (Spain):** Cooperation and development — economic cooperation relations with the southern Mediterranean, Middle East, Near East, Latin America and Asia; Lomé Convention; European Humanitarian Relief Office.

**Mr Bangemann (Germany):** Industrial affairs, Information technology and telecommunications.

**Sir Leon Brittan (United Kingdom):** External economic affairs (North America, Japan, China, CIS, Europe, including Central and Western Europe, Commercial policy.

**Mr Matutes (Spain):** Energy and Euratom Supply Agency, Transport.

**Mr Schmidhuber (Germany):** Budgets, Financial control, Fraud control, Cohesion Fund — coordination and management

**Mrs Scrivener (France):** Customs and indirect taxation, Direct taxation, Consumer policy.

**Mr Millan (United Kingdom):** Regional policies, Relations with the Committee of the Regions.

**Mr Van Miert (Belgium):** Competition policy, Personnel and administration, translation and information technology.

**Mr Van Den Broek (Netherlands):** External political relations, Common and foreign security policy, Enlargement negotiations (Task Force).

**Mr Pinheiro (Portugal):** Relations with the European Parliament, Relations with the Member States (transparency, communication and information), Audiovisual and cultural affairs, Office for Official Publications.

**Mr Flynn (Ireland):** Social affairs and employment, Relations with the Economic and Social Committee, Questions on immigration and internal and legal affairs.

**Mr Ruberti (Italy):** Science, research and development, Common Research Centre, Human resources, education, training and youth.

**Mr Steichen (Luxembourg):** Agriculture and rural development.

**Mr Paleokrassas (Greece):** Environment, nuclear safety and civil protection, Fisheries policy.

**Mr Vanni d'Archirafi (Italy):** Institutional matters, Internal market, Financial services, Company policy — small and medium-sized enterprises, trade and craft.

## EUROPEAN POLITICAL COOPERATION

### 3 November: Statement on Togo

The Community and its member States have been monitoring recent events in Togo closely. After a period of heightened political violence, they welcomed the extension of the transition period and the reduction in tension that this brought, in the hope that this would lead to more and more rapid progress towards democracy. They are concerned by the further postponement of elections and

therefore urge all those involved to work together to overcome the remaining problems.

The Community and its Member States are deeply concerned by the recent seige of Parliament by the Togolese armed forces. Such action by the military constitutes a serious threat to Togo's return to constitutional rule. While they are aware of President Eyadema's condemnation of the soldiers' actions and of the setting up of an Investigation Commission, they are concerned that the President, in his capacity as Commander-in-Chief of the Armed Forces, has not been able to ensure the political neutrality of his soldiers. The Community and its Member States hope the Investigation Commission will act swiftly and that President Eyadema and the Government will take appropriate disciplinary measures against those soldiers identified as responsible. Any repetition of such action by the Armed Forces would be deplorable.

The Community and its Member States again stress the need for all parties involved to facilitate the successful conclusion of Togo's return to constitutional rule. This must involve full respect for human rights and the rule of law which are necessary conditions for the continuation of their economic and development cooperation with Togo.

#### **4 November: Statement on Angola**

The Community and its Member States, recalling their statement of 22 October, express their grave concern about recent events in Angola and deplore the violence over the weekend of 31 October and 1 November which claimed so many lives. The Community and its Member States support the continued involvement of the United Nations in the peace process in Angola, and call on all parties to abide by SCR 785 adopted by the UN Security Council on 30 October and to respect the ceasefire negotiated through the good offices of the UN Secretary General on the night of 1 November. The only hope for peace in Angola is for both sides to refrain from violence and to continue to implement the peace agreements embodied in the Bicesse Accords, in particular as regards the demobilisation and confinement of their troops and collection of their weapons; the formation of the unified national armed force, and the creation of conditions allowing

the holding of a second ballot in the Presidential election.

The Community and its Member States will hold responsible any party which obstructs the peace process, to which all parties have committed themselves and which has been democratically endorsed by the Angolan people.

#### **4 November: Statement on Cameroon**

The Community and its Member States welcome the holding of multi-party elections in Cameroon on 11 October as an important step in the process of democratisation. They have however noted with concern reports of irregularities in the election procedures in all regions. The Community and its Member States appeal to all the parties involved to seek to resolve differences through dialogue, avoiding any violence and safeguarding social peace. They call on all parties to refrain from action which could further increase tension, and on the authorities to ensure full support for fundamental human rights and political freedoms. The Community and its Member States will continue to follow developments in Cameroon with close attention.

#### **17 November: Statement on Ghana**

The European Community and its Member States welcome the declaration of the international electoral observer teams that the Presidential election was broadly free and fair. The election represents a major step towards the restoration of democratic government in Ghana. They also welcome the fact that election campaigning and the elections themselves were generally free from political violence. They urge all political parties to work together to ensure completion of a peaceful transition to constitutional democratic government.

#### **30 November: Statement on South Africa**

The Community and its Member States are encouraged by the intensified efforts of the parties in South Africa to give renewed momentum to negotiations designed to secure South Africa's peaceful transition. They hope that all parties will continue to play full part in the endeavours to resume multi-party constitutional talks at the earliest opportunity.

The Community and its Member States also hope that the National Peace

Committee will be given every support in its efforts to promote dialogue amongst the parties on the urgent need for effective action to curb violence in South Africa.

#### **4 December: Statement on Zaire**

The Community and its Member States have noted with grave disquiet the Presidential decrees communicated on 1 December concerning the unilateral dismissal of the transitional government.

The Community and its Member States reiterate their support for the Prime Minister elected by the Sovereign National Conference and the government which emerged from the Sovereign National Conference. The Community and its member States attach the utmost importance to the completion of the democratic process centred on the Sovereign National Conference. They condemn any initiative or act of violence which in any way impedes the non-conflictual development of this process.

#### **7 December: Statement on Somalia**

The humanitarian crisis in Somalia continues to cause the gravest concern. The increasing looting of aid supplies and obstruction to their distribution cannot be accepted.

The Community and its Member States fully support the adoption on 3 December of UNSCR 794, which constitutes an important development in international law, since it authorises the UN Secretary General and Member States to cooperate to provide for a multinational force to establish a secure environment for the delivery of emergency and relief supplies. They welcome the humanitarian efforts made by the Community and its Member States and the contributions of a number of Member States to the force as a European initiative. The swift deployment of the force is vital to the success of the efforts of NGOs and international agencies to bring food to the starving in conditions of security. They attach particular importance to ensuring the safety of the personnel involved in the relief effort.

The Community and its Member States reaffirm their full support for existing UN operations and the efforts by Ambassador Kittani. They hope that the implementation of UNSCR 794 will encourage national reconciliation that will lead to a lasting political settlement.

## CDI interventions in the marketing field

### SELLING «MADE IN ACP» ON THE ACP MARKETS

*For many ACP industrial projects, exporting to Europe is a priority objective, encouraged by the provisions of the Lomé Convention which open up European markets to ACP products. Today, however, the rapid development of private companies in the ACP countries is leading many small promoters to take a growing interest in local or regional outlets.*

*But selling "made in ACP" products on ACP markets is not an activity that can be left to improvisation. Consumers in ACP countries often have a low purchasing power and sociocultural habits that are very different from those in the developed countries. To meet their expectations, conventional marketing methods, designed and perfected in affluent societies, must be completely rethought in the context of the ACP markets and adapted to the means available. The CDI, one of whose mandates is to provide assistance in the marketing of ACP products, is playing an active part in the development of this innovative approach.*

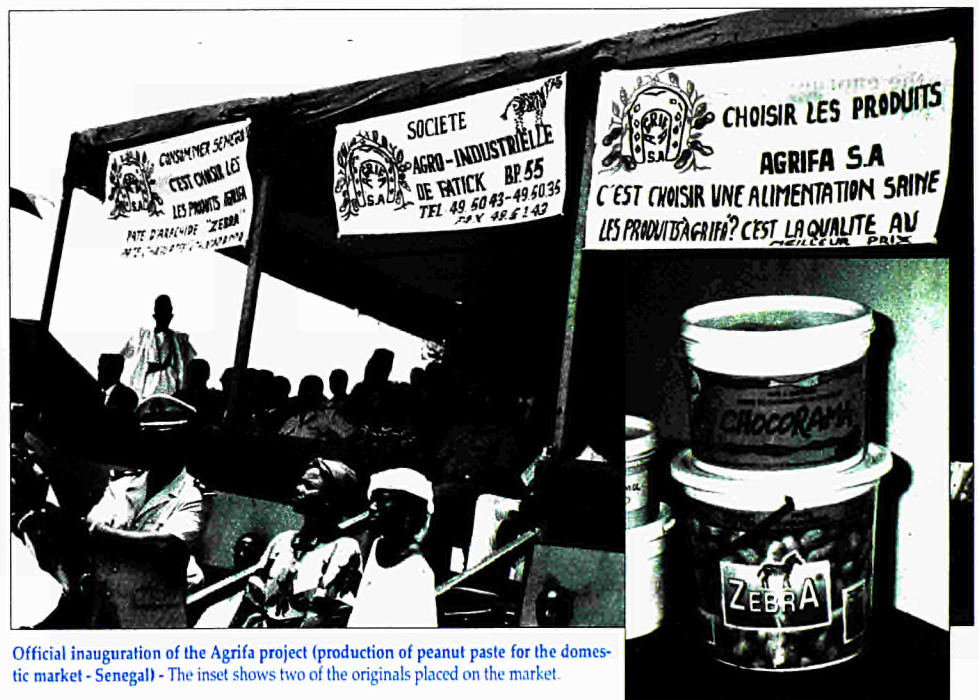
«**W**hen an industrial product is launched in an ACP country, the first question is not whether such and such a product can be manufactured to the right standards but whether it can be sold», remarks Paul Chotard, Technical Resources Officer at the CDI's Interventions and EC Network Division. «For a long time, in many aid programmes for industrialization in the developing countries, this basic truth has far too often been overlooked».

Of course, "technical assistance" - helping out in the production field by improving quality standards, ensuring the transfer of appropriate technologies and sending engineers and technicians out to developing countries to assist newly starting industries - remains a major necessity. But this type of support is not enough in itself, and the 3rd Lomé Convention began to pay more and more attention, from the mid-80s onwards, to the marketing of ACP products. Given the free entry of ACP industrial products into the EC, the accent was placed above all on exports to European markets. In promising fields such as textiles, foodstuffs, leather goods and wood products, the CDI supports many projects by providing them with

marketing assistance : market studies, search for European partners capable of ensuring the distribution of products, financing the participation of ACP companies in specialized fairs in Europe, help in

marketing trials, contributing towards the preparation of promotional documents, etc.

• p. 2



Official inauguration of the Agrifa project (production of peanut paste for the domestic market - Senegal) - The inset shows two of the originals placed on the market.

## C O N T E N T S

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## More and more SMEs turning towards local markets



Mr Paul Chotard, Technical Resources Officer at the CDI's Interventions and EC Network Division - «The first question is not whether a product can be manufactured but whether it can be sold».

However, this policy also has its limits : in view of requirements concerning the quality, quantity and regularity of supplies, exporting to Europe is not always an easy matter for an ACP firm ill-prepared for the competition reigning in

these markets. Consequently, alongside assistance of this kind - which is certainly needed as much as ever - the increasingly important role played by small and medium-sized private companies in the ACP economies has led the Centre to support many projects, often small-scale, which are oriented towards local or regional markets : production of tomato concentrate in Mali, peanut paste in Senegal, soya milk in the Cape Verde Islands, densified fuel in Gambia, alcohol in the Côte d'Ivoire, etc.

But the enormous difficulty encountered in helping projects oriented towards local outlets lies in understanding the exact characteristics of such markets. Sufficiently detailed information is not available as regards population spread, income structures, distribution channels, etc. As for qualitative surveys on consumer patterns, these are simply non-existent. So far, endeavours along these lines have been limited far too often to very cursory evaluations established, for example, on import substitution effects assessed on the basis of foreign trade statistics. But this type of approach does not yield any serious information on real market potentials or on consumer expectations in terms of price,

quality, packaging, etc. Without these indications, projects often miss their targets and fail as a result. The CDI has therefore decided to pay close attention to this question of marketing in the ACP countries.

## Reinventing marketing

«We began this approach with small projects for fruit processing (juices and nectars) launched in different countries in West and Central Africa», Paul Chotard continues. «In particular, it was a question of designing small containers in keeping with the purchasing power and habits of local consumers. But we quickly realized that traditional marketing methods, elaborated for affluent societies in the developed countries, are very ill-suited to the totally different realities of consumer markets in the ACP States. So we are treading almost virgin ground here and a whole new methodology has to be invented. Of course, we did not wish to embark upon such exploratory studies on our own, and we quickly found that our concerns were shared by other cooperation organizations».

That is how the CDI came to be involved in a major study on "Marketing in Africa" commissioned from the GRET (Groupe de Recherche et d'Echanges technologiques -

France) by the French Ministry for Cooperation (see box). For various projects, the Centre also turns to marketing agencies attempting to evaluate markets in the developing countries.

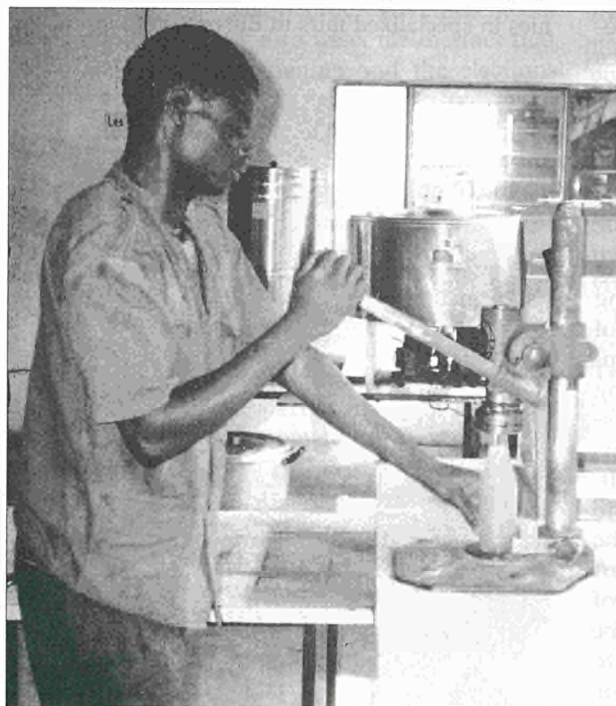
## The experience of some specialist consultants

The French consultants ASA (Analyse, Synthèse, Action), for example, have acquired sound experience in analysing consumption patterns among African households, initially by working for multinational corporations (as in the case of Heineken beers and Colgate products) wishing to gain a clearer view of the potentials of these markets. The studies carried out are aimed either at measuring the quantities of products purchased per population category or at identifying the needs and expectations of consumers as regards a particular product, on the basis of group interviews.

«For us, the interest here lies in the fact that a firm like ASA offers "comprehensive" surveys analysing consumer reactions to several products», explains P. Chotard. «This formula allows information to be obtained on sometimes limited markets at a cost much lower than that for a personalized "made-to-measure" survey. We therefore teamed up with four other subscribers in a survey on the dairy industry in Cameroon, aimed at determining consumer attitudes towards products made from fresh milk compared to milk powder».

## Immersing oneself in the social reality

The Centre also works with SODI (Société d'organisation et de développement industriel), A French consultancy firm which has acquired extensive know-how in conducting field surveys in the developing countries. «To understand how the distribution channels work at the level of small retail outlets, to check what position your product could gain on the market compared to the competition, there is only one solution : immerse yourself in the social



Royal Fruit project (fruit juice production - Cameroon) - In the fruit processing sector, there are interesting outlets for high-quality natural products manufactured locally.





Marketing in Africa - To determine the position that a product can hope to gain on the market compared to the competition there is only one solution : immersing oneself in the social reality.

## Marketing in Africa

"In marketing, the science is developed through practical experience". It is on the basis of this classic adage that the French Ministry of Cooperation has commissioned a study from the GRET (Groupe de recherche et d'échanges technologiques) aimed at helping small businesses and African craftsmen to define their marketing strategy.

Pragmatic above all, this research is based on the practical experience of several organizations and specialist firms, with the objective being to elaborate a methodology adapted to the African context. Among the participants invited to contribute towards this undertaking, we mention in particular :

- ◆ the CDI, whose four market surveys will be analysed (peanut paste in Senegal, densified vegetable briquettes in Gambia, soya milk in the Cape Verde Islands and alcohol in the Côte d'Ivoire);

- ◆ the SIDI (Société d'investissement pour le développement industriel), with its experience in studies in the fields of agri-foodstuffs, textiles, woodworking, spare parts and services;

- ◆ the CCCE (Caisse centrale de coopération économique), especially through its "Support for basic production initiatives", through which it backs up small business projects;

- ◆ the consultancy firm ASA (Analyse-Synthèse-Action), which specializes in field surveys in some ten African countries, especially through an informal network of local contacts.

The methodology will be illustrated in particular by a number of case studies in four industries : processed fruit and vegetables, processed dairy products, tropical cereals and the manufacture of light mechanical equipment for agri-foodstuffs and the rural world.

reality», says Jean-François Kerroc'h, the SODI Head of Studies for Africa. «Our first step is "street observation" in the popular districts. From small shopkeepers right up to wholesalers, it is necessary to examine all the channels, pick out the products that are distributed - often products manufactured on a small scale - and analyse their quality and their price».

«The second approach is based on the organization of "round tables" : bringing together groups of consumers to whom you hand a questionnaire, making sure to include all the categories of what is often a very heterogeneous population, living together within the same urban fabric, with all their differences as regards purchasing power and consumption habits. Another very important aspect is to test reactions to samples of your product».

The objective is to provide the promoters of a project - and those giving their financial support - with the most realistic view possible of the market shares that they can hope to win. «Very often», observes Jean-François Kerroc'h, «the information gleaned from surveys leads to an adjustment of the data obtained initially. This can concern the range of products on offer, their quantity, price or packaging, the type of distribution envisaged, etc.».

Finally, market surveys often lead the promoter to adopt a strategy to promote the image of his product.

## A factor in strengthening the industrial fabric

The emergence of this new kind of survey on local markets reinforces the development dynamics of the private business

sector currently taking shape in the ACP countries. «Approaches such as these open up hitherto unexplored avenues for launching projects with much greater backing than in the past», Paul Chotard concludes. «We are convinced that this is a promising way of reinforcing the industrial fabric. The CDI's objective is to increase the number of companies helped along these lines and to make a maximum contribution towards their systematic development».



Seminar organized by the CDI on industrial planning in Mali - Surveys help to identify the range of products to offer, along with quantities, prices and packaging.

## FOR EUROPEAN INVESTORS : A guide to setting up in ACP countries

*"Practical guide to taxation, customs regulations and local laws in the ACP countries"*

*Before embarking on an investment or industrial cooperation in an ACP country, every European operator asks himself - or should do - one basic question : what are the "external factors" likely to influence the success of his project which are specific to the country where he hopes to set up ? Only too often, feasibility studies can demonstrate the viability of a project from the technical, commercial and financial point of view, but fail to provide a concrete evaluation of specific details of its future environment as regards tax conditions, customs regulations, laws, social characteristics, etc. This new guide jointly published by the CDI aims to fill this gap by providing an operational check-list to help investors in such an undertaking.*

*One of the key roles of the CDI is to encourage European industrialists to include the ACP States in their international expansion strategy», emphasizes Patrick Keene, in charge of the promotion of industrial partnerships at the CDI. «But the first question that arises is the choice of host country. After this, there are many pitfalls that can often bring down a new company within the often complex framework of the administrative rules specific to each ACP country. If these obstacles had been clearly identified in the beginning there would no doubt have been a way of incorporating them in the project data or negotiating exemptions from some of them with the local authorities. Our role, therefore, is to "light the way" and ensure that investors do not have any unpleasant surprises due to ignorance of the objective realities».*

These are the reasons that led the CDI to publish this "practical guide to taxation, customs regulations and local laws in the ACP countries", in collaboration with the Belgian company Imparco Consult, which specializes in providing advice on inter-firm partnerships and setting up industrial

companies abroad. «We have compiled a number of detailed check-lists enabling investors to go through all the essential steps in gaining an understanding of the specific case represented by the local context of such and such an ACP country», explains Thomas van Bellingen, responsible for producing this guide. «The subjects dealt with are set out in such a way that if you find the answer to one question you then naturally go on to ask yourself other more detailed questions which otherwise would probably never have crossed your mind».

The guide first of all offers a practical selection method allowing an investor to compare the specific characteristics of different countries according to the type of investment or partnership that he wishes to undertake. This first check-list, running to some fifteen pages, therefore helps investors to answer the question "where should I go?".

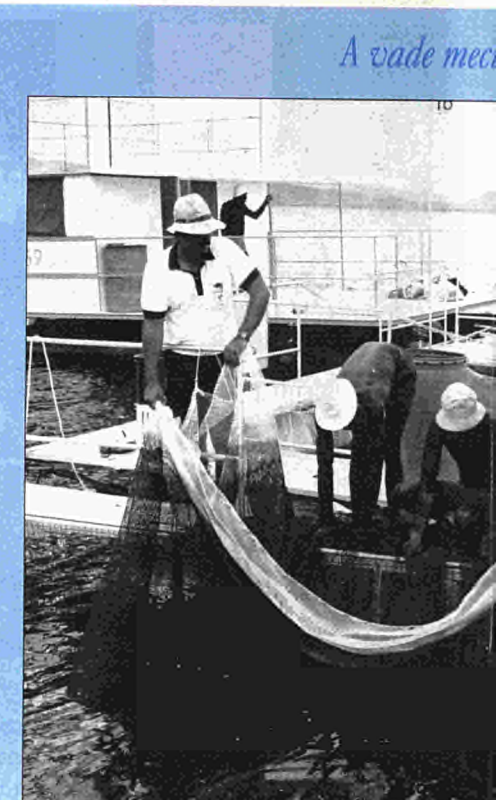
### Six major chapters

The second part of the guide provides a more detailed check-list, to be used later on once the intrinsic feasibility study on the project has been finalized. It examines six major fields (the list of subjects given below is not exhaustive) :

◆ **Legal framework** : investment aid arrangements - priority sectors - guarantees regarding expropriation - protection of intellectual property - advantages reserved for nationals - special status for foreign companies - formalities for setting up companies - etc.

◆ **Tax framework** : corporation tax - exemption arrangements - allowances for depreciation - treatment of expenses incurred outside the country - type of taxation on capital and income from movable assets - VAT rates in force - banking secrecy - withholding taxes - income tax - other levies - etc.

◆ **Employment regulations** : legal pay scales - duration of contracts - working hours fixed by law - statutory leave - overtime arrangements - indemnities and bonuses - health and safety regulations - rules covering expatriate staff - social security system - etc.



Cairns Holding project (fish farm - Zimbabwe) - The CDI is to publish a guide to the favourable climate for investments by European operators.

Following on from the general guide described above, the CDI also intends to publish individual guides for particular countries, and a handbook on Zimbabwe has just been completed. «In this kind of publication we adopt a case-by-case approach : we do not aim to launch a systematic collection of guides covering all the ACP States, which would be far too ambitious a task to be successfully concluded», explains Patrick Keene.

«We want to choose a certain number of countries which we regard as priorities by reason of the favourable climate that they offer for investments by European operators or on which investors regularly ask us for information. In the case of Zimbabwe, it was the interest shown by European finan-

◆ **Foreign trade regulations** : prior authorizations - quotas - restrictions - customs duties (levels and calculation bases) - duty-free arrangements and special schemes - customs clearance formalities - transport infrastructures - etc.

◆ **Financial environment** : exchange regulations - foreign exchange supply -

## **FOR ACP PROMOTERS :** *Guide to purchasing*



...des on a number of countries regarded as priorities by reason of

cial partners active in this country (such as Proparco, a French finance organization) which led us to publish this first guide».

In Zimbabwe, the Centre elected to draw up this vade mecum in collaboration with the international consultancy firm Deloitte Touche Tohmatsu, which has a well-established network of experts with an in-depth knowledge of the local context. «The consultants themselves wanted to update a guide that they had published earlier, and we decided to offer our support in a joint publication venture. In adapting these subjects to the particular context of this country, it in fact takes the methodological framework of the check-lists from the general guide and then provides specific answers».

repatriation of dividends and capital - transfer of salaries of expatriate staff - financial services available on the local market - etc.

◆ **Other aspects :** insurance schemes - telecommunications and postal systems - etc.

### *"Guide to purchasing capital goods"*

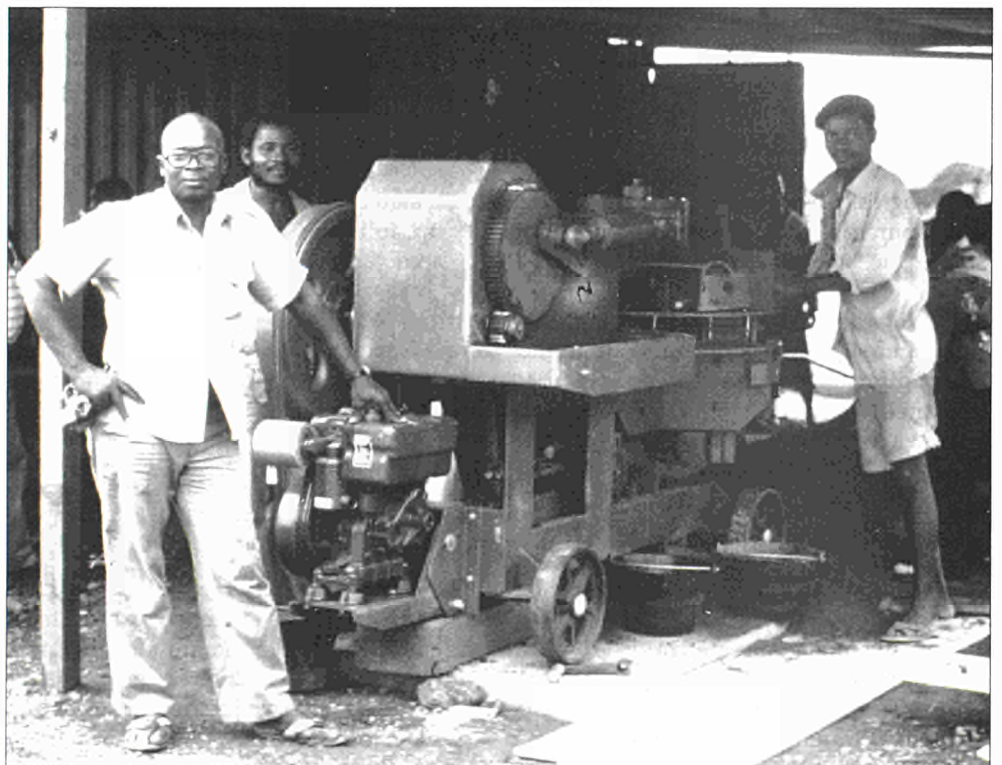
*You do not buy industrial capital goods like you would buy a TV set or a washing machine. When it comes to choosing production equipment, you must be able to analyse the technical options and the costs proposed by suppliers. You then have to negotiate delivery and payment conditions with them. Finally, you must make sure of the quality of the "after-sales service", which can cover many different fields. Far away from the supply markets, ill-equipped technically, legally and financially, industrialists in the ACP countries often experience great difficulties in managing the "purchasing function", which is nevertheless vital for the success of the undertaking. The CDI therefore decided that it was important to provide them with this guide to purchasing, which is both practical and appropriate to their environment.*

«**B**efore - During - After" : any purchase of equipment passes through three separate stages, during which the industrialist must be sure that nothing is overlooked if he wants to avoid serious setbacks.

### *Before*

Buying equipment, of course, means accurately defining the specific need facing the company and the technical solution to this problem. The guide examines in detail all the procedures to follow in issuing an invitation to tender among potential suppliers and the way in which to analyse these tenders and make a selection (from the point of view of not only the technical specifications but also price, terms of payment and guarantees required).

The time factor is also a key element : the equipment must be available when the company needs it for its production requirements. The guide therefore carefully analyses the sequence of operations to be planned by the purchaser to ensure that this condition is fulfilled.

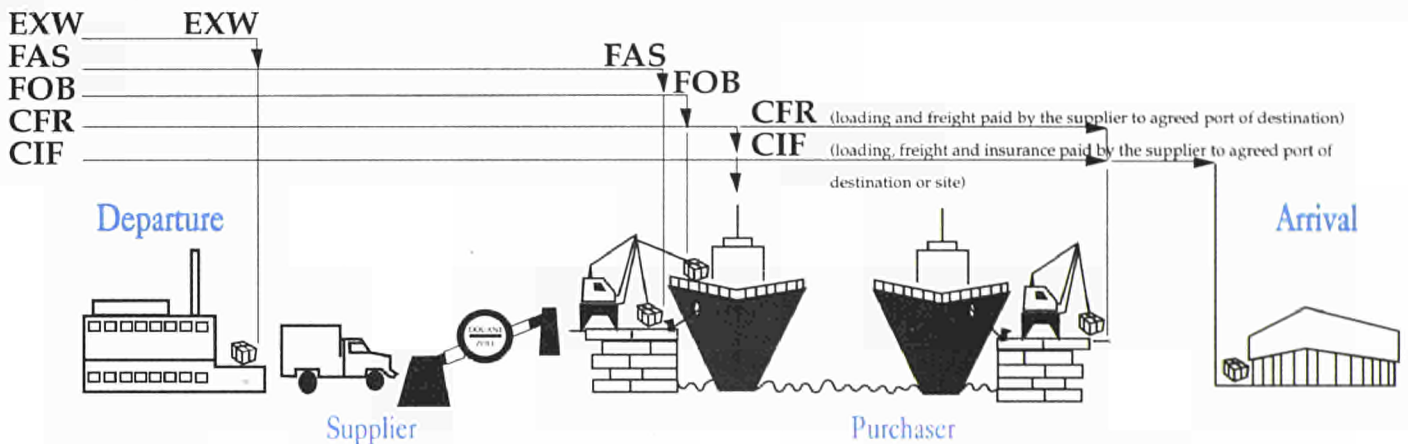


Equipment arriving in an ACP country - Analysing the needs, the technical options and the costs; negotiating delivery and payment conditions; making sure that an appropriate after-sales service will be provided.

GUIDE

III - APPLICATION DETAILS

III.2. The main Incoterms



|  |  |   |
|--|--|---|
| <b>EX-WORKS</b>                                  | Does not handle the export formalities but provides the necessary documents.   | Must take delivery as soon as available.  |
| <b>FAS + name of port (free alongside ship)</b>  | Exports the goods, loads them on board the vessel and provides the document certifying that the goods have been loaded.  | Is responsible for the export formalities; chooses the vessel.  |
| <b>FOB + name of port (free on board)</b>        | Exports the goods; loads them on board the vessel and provides the bill of lading. Is no longer responsible for the goods once they are loaded, but pays the freight and cost of unloading on arrival if included in the freight or if C&F landed. | Is responsible for choosing the vessel; bears the cost of obtaining the vessel and the cost of the bill of lading.                            |
| <b>C&amp;F + name of port (cost and freight)</b> | Same as C&F but the supplier must take out an insurance policy to cover the CIF price + 10% up to unloading.   | Is responsible for the goods once they are on board. Is responsible for import procedures.  |
| <b>CIF + port (cost, insurance and freight)</b>  |  | Same as C&F but the purchaser pays for the insurance over and above FPA (such as theft, pilferage, sinking, breakage, fumes from hold, etc.). |

A page from the guide to purchasing capital goods - Explanation of the main "INCOTERMS" (International Commercial Terms) defined by the International Chamber of Commerce.

*During*

The long list of steps to be followed in the actual purchase of equipment certainly constitutes the "main course" on this menu.

- ◆ When the contract has been negotiated and signed, it is of course up to the supplier to ensure delivery in accordance with the specifications laid down, but this does not mean that the purchaser can now disregard this aspect. He is recommended to "follow" the different stages, from inspection of the equipment in the factory to packing and shipment. This supervision must be carried out by the purchaser himself or by a suitable representative.
- ◆ In transport, unloading and delivery on site, the industrialist must also keep a close watch on the different operations, even if the contract stipulates that liability lies solely with the supplier and the transport operators.

◆ Finally, the purchaser must assume full responsibility for supervising installation, assembly, tests and start-up, followed by provisional and final acceptance of the equipment.

At this stage, it is particularly important for all external details - which depend on the supplier or the transport operators - to be covered in the contract.

*After*

The range of requirements that the purchaser may have is extremely varied : from monitoring the production performances of the equipment delivered, maintenance and after-sales service to staff training, transfer of know-how, marketing assistance, etc. From the moment when such advantages are written into the supplier's side of the contract, ensuring that they are

complied with is obviously the responsibility of the purchaser.

*Special chapter on "second-hand equipment"*

To finish with, the guide turns its attention to the particular considerations involved in purchasing second-hand equipment, a case which frequently arises with ACP companies.

Very clearly presented, with summary tables for easy consultation at each stage in the "purchasing" procedure (see box), this "Purchasing guide" was drawn up in collaboration with Groupe Veritas, via its subsidiary BIVAC International, which employs specialists with substantial practical experience in the "Purchasing" function in a company.

# WHAT SORT OF PARTNERSHIP DO OUR READERS WANT?

*A year ago, the CDI conducted a survey among the readers of its newsletter- which was still called "Industrial opportunities" at the time - as to the subjects that they wanted to be dealt with as a priority.*

*Replies to this questionnaire came in regularly until July 1992, and in all some 555 readers were kind enough to let us have their opinions. The two tables below sum up the main features of this sample, which we believe to be representative of our readership, and the expectations expressed as regards the subjects dealt with in the newsletter.*

The sample proved to be a good balance between readers from the ACP countries and from the EC. Almost a quarter of all replies were from consultancy firms, most of them in Europe. In the ACP countries, it was the public organizations for industrial development and companies - private or public - which took the trouble to give us their views (18% and 17% respectively of the ACP part of the sample).

There was also considerable interest among private companies in Europe (19% of replies from the EC). The large number of readers per edition received, especially for the ACP States where each copy passes through the hands of 17 people on average, must also be underlined.

## *Poll on topics of practical interest*

The subjects in which readers are most interested, especially in the ACP countries, are very clearly the practical problems involved in the development of industrial projects (feasibility, distribution and marketing, business plans, exporting, CDI services, etc.), together with partnership proposals from ACP or EC companies.

As can be seen in the article on marketing problems which opens this issue, the editorial policy of Partnership to take account of the wishes expressed by our readers is already being implemented.

### Characteristics of the Sample

|  | Total | ACP | EC  |
|--|-------|-----|-----|
| Number of replies  | 555   | 279 | 276 |
| Replies in English   | 57%   | -   | -   |
| Replies in French  | 43%   | -   | -   |
| Financial institutions                                     | 3%    | 5%  | 2%  |
| Public organizations for industrial development            | 10%   | 18% | 2%  |
| Other public bodies  | 9%    | 10% | 7%  |
| Public industrial companies                                | 2%    | 4%  | 1%  |
| Private industrial companies                               | 16%   | 13% | 19% |
| Commerce and distribution                                  | 13%   | 13% | 13% |
| Consultancy firms  | 23%   | 12% | 34% |
| Others   | 24%   | 24% | 24% |
| Average number of readers per copy of Partnership received | 12    | 17  | 17  |

### Hit parade of topics highlighted by our readers (subjects regarded as "very useful", as a % of replies received)

|  | Total | ACP | EC |
|--|-------|-----|----|
| How to carry out a feasibility study   | 59    | 76  | 44 |
| Industrial proposals from ACP enterprises  | 57    | 65  | 50 |
| Distribution, sales and marketing issues   | 56    | 70  | 43 |
| How to plan a business or an expansion   | 55    | 74  | 37 |
| CDI's different services   | 54    | 60  | 50 |
| Industrial proposals from EC enterprises   | 52    | 61  | 44 |
| Industrial policies of different ACP states  | 50    | 57  | 45 |
| Exporting to Europe  | 50    | 65  | 36 |
| Case histories of individual ACP enterprises and joint ventures assisted by CDI          | 48    | 62  | 35 |
| CDI's links and collaboration with complementary development and financing organizations | 48    | 53  | 44 |
| General news on industrial development matters in ACP states                             | 45    | 54  | 38 |
| News on forthcoming meetings (seminars, exhibitions, etc.)                               | 45    | 52  | 38 |
| CDI's priorities   | 45    | 51  | 40 |
| Industrial profiles, technologies  | 45    | 56  | 35 |
| Various forms of partnership   | 44    | 54  | 35 |
| Specific incentives for industrial areas and tax-free zones                              | 37    | 42  | 32 |
| Activities and points of view of CDI antennae in ACP countries                           | 32    | 40  | 25 |
| Reports on past events (meetings, seminars, exhibitions etc.)                            | 26    | 36  | 17 |
| Sectoral trends in ACP states  | 24    | 25  | 24 |
| Statistics on CDI's interventions and expenditures                                       | 22    | 25  | 19 |
| CDI's organization (staff and antennae), appointments and missions                       | 19    | 19  | 19 |

## ACP NETWORK

### *Three promotion officers from West African antennae on a training course at the CDI in Brussels*

The latest training course organized by the Centre for promotion officers from antennae took place in October. Three representatives of institutional antennae in West Africa took part : Mr B. Diallo from the CCDE in Guinea, Mr I. Cissé from the SONEPI in Senegal and Mr A. Krecoumou from the Chamber of Commerce and Industry in the Côte d'Ivoire.

These courses are designed above all to familiarize promotion officers with the Centre's working methods, particularly in the light of the CDI's new strategy.

The Centre also takes advantage of the presence of these field workers to review the status of projects in their respective countries.

### *Strengthening CDI-Burundi cooperation*

Substantial reinforcement of cooperation between Burundi and the CDI : this is the objective set by the two parties following talks last November between Mr Adrien Sibomana, Prime Minister of Burundi, and Mr Paul Frix, Director of the CDI.

These two personalities, who met on the occasion of the visit to Brussels by the Burundi Head of State, reviewed the three main areas of cooperation with the CDI :

- ♦ development of a textile-garment industry on the basis of a preliminary study already carried out in this sector by the CDI;
- ♦ modernization of agro-industrial companies following an analysis of 10 companies underway at the moment;
- ♦ examination of the feasibility of setting up a service company for local firms at the request of the Burundi government.

The Burundi Prime Minister expressed his satisfaction at the excellent cooperation which exists with the CDI and the appreciable results obtained thanks to interventions already made by the Centre in his country.

### *CDI antennae in West Africa meet in Dakar*

The CDI organized the annual meeting of antennae in the region (Benin, Burkina Faso, Cape Verde Islands, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo) on November 26th and 27th 1992, to coincide with the EEC-West Africa Industrial Forum. The last meeting of the West African antennae took place in April 1991 in Ouagadougou, Burkina Faso.

Hosted by the SONEPI, the Senegalese antenna, the general discussions on the first day mainly concerned :

- ♦ the role of antennae in project identification and evaluation;
- ♦ the practical aspects of using an antenna;
- ♦ West Africa's specific problems as regards development of small and medium-sized industries;
- ♦ support for SMEs from the EDF (European Development Fund) within the framework of the national indicative programmes;
- ♦ the role of the Caisse française de développement.

On the second day, the representatives of the CDI antennae worked in three subgroups focusing on :

- ♦ drawing up recommendations for improving the effectiveness of the network of antennae;
- ♦ formulating back-up measures with a view to the economic and industrial integration of West Africa;
- ♦ defining the bases for setting up privatization funds and service companies for SMEs.

The next edition of Partnership will report on the main conclusions reached at this forum.

**Partnership** is a publication by the Centre for the Development of Industry (CDI), created under the ACP-EEC Lomé Convention.

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## EC NETWORK

### *Okoumé Club : 2nd meeting at Dakar '92*

On the one hand, there are those supporting technically the launch of industrial projects in the ACP countries. On the other hand, there are those who have funds available to finance them. The creation of synergies between the promotion and support institutions for industrial development and the development finance corporations is essential for a successful company development policy. This objective was the reason for the creation of the study seminar known as the "Okoumé Club" in November 1991 at the last EEC-Central Africa Forum in Libreville, on the initiative of the CDI. The second meeting of the Club took place at the beginning of December, at Dakar '92.

By reason of its mandate, the CDI acts as a permanent interface between the development finance corporations and the support institutions, and at Dakar '92 presented the participants with a summary of the points of view and problems raised at the first meeting. One essential observation emerged from these discussions : with financiers only too often finding themselves unable to use up all the financial resources available due to a lack of reliable projects, the assistance that the support institutions can provide to development finance corporations in evaluating and monitoring projects could be invaluable.

In concrete terms, as has already done in several ACP countries, the CDI also proposes to offer its assistance in the creation of local support structures capable of working in close collaboration with financial organizations to monitor industrial projects. We shall come back to this second meeting of the "Okoumé Club" in our next issue, in which we devote a whole article to the conclusions of Dakar '92.

### *Erratum*

On page 4 of our last issue, the name of the Cape Verde Islands project presented at the Dakar '92 "Partnership Day" was given as *Alicerce* (which is the name of the Portuguese partner in this project). The Cape Verde project is in fact the *Sociedade Capoverdeana de Sabônes (SCS)*.

# Operational Summary

No. 72 — January 1993

(position as at 11 January 1993)



## EEC-financed development schemes

The following information is aimed at showing the state of progress of EEC development schemes prior to their implementation. It is set out as follows:

### Geographical breakdown

The summary is divided into three groups of countries, corresponding to the main aspects of Community development policy:

— the ACP countries (Africa, the Caribbean and the Pacific), which signed the multilateral conventions of Lomé I (28 February 1975), Lomé II (31 October 1979), Lomé III (8 December 1984) and Lomé IV (15 December 1989), plus the OCT (overseas countries and territories) of certain member states of the EEC, which get the same type of aid as the ACP countries;

— the Mediterranean countries (Maghreb and Mashraq), which signed cooperation agreements with the EEC since 1976 and 1977;

— the ALA developing countries of Asia and Latin America, beneficiaries since 1976 of annual aid programmes.

The information within each of these groups is given by recipient country (in alphabetical order).

### Note

As the information provided is subject to modification in line with the development aims and priorities of the beneficiary country, or with the conditions laid down by the authorities empowered to take financial decisions, the EEC is in no way bound by this summary, which is for information only.

### Information given

The following details will usually be given for each development scheme:

- the title of the project;
- the administrative body responsible for it;
- the estimated sum involved (prior to financing decision) or the amount actually provided (post financing decision);
- a brief description of projects envisaged (construction work, supplies of equipment, technical assistance, etc.);
- any methods of implementation (international invitations to tender, for example);
- the stage the project has reached (identification, appraisal, submission for financing, financing decision, ready for implementation).

### Main abbreviations

- Resp. Auth.: Responsible Authority  
Int. tender: International invitation to tender  
Acc. tender: Invitation to tender (accelerated procedure)  
Restr. tender: Restricted invitation to tender  
TA: Technical assistance  
EDF: European Development Fund  
mECU: Million European currency units

Correspondence about this operational summary can be sent directly to:

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200, rue de la Loi  
B-1049 Brussels

Please cover only one subject at a time.

## DESCRIPTION SECTOR CODE

|           |  |            |  |
|-----------|--|------------|--|
| <b>A1</b> | <b>Planning and public administration</b>  | <b>A5B</b> | Industrial development banks                             |
| A1A       | Administrative buildings   | A5C        | Tourism, hotels and other tourist facilities             |
| A1B       | Economic planning and policy   | A5D        | Export promotion   |
| A1C       | Assistance to the normal operations of government not falling under a different category         | A5E        | Trade, commerce and distribution                         |
| A1D       | Police and fire protection   | A5F        | Co-operatives (except agriculture and housing)           |
| A1E       | Collection and publication of statistics of all kinds, information and documentation             | A5G        | Publishing, journalism, cinema, photography              |
| A1F       | Economic surveys, pre-investment studies   | A5H        | Other insurance and banking                              |
| A1G       | Cartography, mapping, aerial photography   | A5I        | Archaeological conservation, game reserves               |
| A1H       | Demography and manpower studies  |            |  |
| <b>A2</b> | <b>Development of public utilities</b>   | <b>A6</b>  | <b>Education</b>   |
| A2A       | Power production and distribution  | A6A        | Primary and secondary education                          |
| A2Ai      | Electricity  | A6B        | University and higher technical institutes               |
| A2B       | Water supply   | A6Bi       | Medical  |
| A2C       | Communications   | A6C        | Teacher training   |
| A2D       | Transport and navigation   | A6Ci       | Agricultural training                                    |
| A2E       | Meteorology  | A6D        | Vocational and technical training                        |
| A2F       | Peaceful uses of atomic energy (non-power)   | A6E        | Educational administration                               |
| <b>A3</b> | <b>Agriculture, fishing and forestry</b>   | A6F        | Pure or general research                                 |
| A3A       | Agricultural production  | A6G        | Scientific documentation                                 |
| A3B       | Service to agriculture   | A6H        | Research in the field of education or training           |
| A3C       | Forestry   | A6I        | Subsidiary services                                      |
| A3D       | Fishing and hunting  | A6J        | Colloquia, seminars, lectures, etc.                      |
| A3E       | Conservation and extension   | <b>A7</b>  | <b>Health</b>  |
| A3F       | Agricultural storage   | A7A        | Hospitals and clinics                                    |
| A3G       | Agricultural construction  | A7B        | Maternal and child care                                  |
| A3H       | Home economics and nutrition   | A7C        | Family planning and population-related research          |
| A3I       | Land and soil surveys  | A7D        | Other medical and dental services                        |
| <b>A4</b> | <b>Industry, mining and construction</b>   | A7E        | Public health administration                             |
| A4A       | Extractive industries  | A7F        | Medical insurance programmes                             |
| A4Ai      | Petroleum and natural gas  | <b>A8</b>  | <b>Social infrastructure and social welfare</b>          |
| A4B       | Manufacturing  | A8A        | Housing, urban and rural                                 |
| A4C       | Engineering and construction   | A8B        | Community development and facilities                     |
| A4D       | Cottage industry and handicraft  | A8C        | Environmental sanitation                                 |
| A4E       | Productivity, including management, automation, accountability, business, finance and investment | A8D        | Labour   |
| A4F       | Non-agricultural storage and warehousing   | A8E        | Social welfare, social security and other social schemes |
| A4G       | Research in industrial technology  | A8F        | Environmental protection                                 |
| <b>A5</b> | <b>Trade, banking, tourism and other services</b>  | A8G        | Flood control  |
| A5A       | Agricultural development banks   | A8H        | Land settlement  |
|           |  | A8I        | Cultural activities                                      |
|           |  | <b>A9</b>  | <b>Multisector</b>                                       |
|           |  | A9A        | River development  |
|           |  | A9B        | Regional development projects                            |
|           |  | <b>A10</b> | <b>Unspecified</b>                                       |



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# ACP STATES

New projects are printed in italics and offset by a bar in margin at left

Projects under way are marked with an asterisk and with words or phrases in italics

## ANGOLA

**Rehabilitation national roads in the South-West region: Namibe-Serra da Leba section.** Resp. Auth.: Ministère de la Construction. 18.5 mECU. Road rehabilitation by int. tender (conditional). Supply of equipment and T.A. Project on appraisal. 6th and 7th EDF. **EDF ANG A2d**

## ANTIGUA AND BARBUDA

**Road Rehabilitation Programme Phase 2.** Resp. Auth.: Ministry of Works and Communications. 3.100 mECU. Reconstruction of the road from Golden Grove to Urlings (11.75 km). *Project in execution.* 6th EDF. **EDF AB 6001 A2d**

**Livestock development. Phase II.** Resp. Auth.: Ministry of Agriculture. 0.130 mECU. Supply of equipment. Project on appraisal. 7th EDF. **EDF AB 5003 (7001) A3a**

## BARBADOS

**Hospitality Studies Project.** Resp. Auth.: Ministry of Education and Culture. Total estimated cost 2.5 mECU. EDF 1.6 mECU, local 0.900 mECU. Construction of Tourism Training Centre-cum-Hotel. Project on appraisal. 6th EDF. **EDF BAR 6006 A5c**

**Livestock Development.** Resp. Auth.: Ministry of Agriculture. 2.475 mECU. Renovation and construction of administrative buildings, supply of vehicles, equipment and computers. Line of credit and T.A. Project in execution. 5th and 6th EDF. **EDF BAR 6004 A3a**

**National Development Foundation.** Resp. Auth.: Ministry of Finance and Economic Affairs. National Devpt. Foundation. 0.250 mECU. Loans to SME, equipments, training. Project on appraisal. 7th EDF. **EDF BAR 7102 A6ci, d**

## BELIZE

**Community Development Programme.** Resp. Auth.: Ministry for Social Services. 0.150 mECU. Project preparation study. Short-list done. Project on appraisal. 6th EDF. **EDF BEL 6002 A6b**

## BENIN

**Fish breeding. Applied research and popularization actions.** Resp. Auth.: MDRAC. Estimated cost 2 mECU. Project on appraisal. 6th EDF. **EDF BEN 6009 A3d**

**Support programme to the health policy.** Resp. Auth.: Ministère de la Santé. 11.846 mECU. Rehabilitation of the health infrastructure, supply of equipments, medicines and T.A. *Date financing November 92.* 7th EDF. **EDF BEN 7002 A7a**

**Institutional support to the «Ministère du Plan et de la Restructuration».** 1.210 mECU. *Project in execution.* 7th EDF. **EDF BEN 7001 A1c**

## BOTSWANA

**Wildlife Conservation in Northern Botswana.** Resp. Auth.: Department of Wildlife and National Parks. (DWNP). 6.800 mECU. New tracks, construction of administrative office quarters and accommodation. Supply of equipment (earthmoving — tractors — 4x4 pick-ups). T.A. and training. Project on appraisal. Date foreseen for financing 2nd half 92. 6th EDF. **EDF BT 6026 A3e, A5i**

**Geophysical survey in the Ghanzi-Chobe fold belt and Chinamba Hills.** Resp. Auth.: Dept. Geological Survey. 1.6 mECU. Investigate mineral deposits and water potential. Production of geological maps. Project in execution. 7th EDF. **EDF BT 7001 A1g**

**Forestry protection and development.** Resp. Auth.: Ministry of Agriculture. Division of Forestry and Range Ecology (DFRE). 3 mECU. T.A. and supplies (computers, vehicles, tractors). Project in execution. 7th EDF. **EDF BT 6021 (7002) A3c**

**T.A. to the Department of Water Affairs.** Resp. Auth.: Ministry of Mineral Resources and Water Affairs. 1 mECU. T.A. to the Dept. Project on appraisal. 7th EDF. **EDF BT 6023 (7002) A2b**

## BURKINA FASO

**Water resources development programme in the South-West.** Resp. Auth.: Ministère de l'Eau. Estimated total cost 15 mECU. Drillings, water supplies, water points, hand pumps, vehicles, various equipments, T.A. for works supervision and programme implementation. Training. *Project in execution.* 5th and 7th EDF. **EDF BK 6020 (7001) A2b, A3c**

**Douma plain development.** Resp. Auth.: Ministère de l'Agriculture et de l'Elevage. 2.050 mECU. EDF 2 mECU, local 0.050 mECU. Works, supplies, T.A. Project on appraisal. 7th EDF. **EDF BK 6005/7002 A3a**

**Electrification of 3 secondary urban centres.** Resp. Auth.: SONABEL — Soc. Nat. d'Electr. 9 mECU. Power center and distribution network in Diébougou, Kongoussi, Nouna. Works, supplies and T.A. for supervision and control. Project on appraisal. 7th EDF. **EDF BK 7001 A2ai**

**Tougan — Ouahigouya — Mali border road.** Resp. Auth.: Ministère des Travaux Publics. *Modern earthroad. Supervision: short-list to be done. Estimated cost 18.5 m ECU. Project on appraisal. 6th and 7th EDF.* **EDF BK 7004 A2d**

## BURUNDI

**Structural Adjustment Support. General Import Programme.** 12 mECU. Hard currency allowance to import ACP and EC goods. There is negative list. Evaluation after 1st phase. Project in execution. 7th EDF. **EDF BU 7200 A1c**

**Development of the health sector in the Mosso and Imbo regions.** Resp.

Auth.: Ministère de la Santé Publique. Total estimated cost 24.877 mECU. EDF 18 mECU, local 5.413 mECU. Counterpart Funds for G.I.P. 1.464 mECU. Health centres staff training, supply of equipments and health services rehabilitation. *Constructions.* **★ T.A. Project in execution.** 7th EDF. **EDF BU 7003 A6bi, A7**

**Training for rural development programmes.** Resp. Auth.: Ministère de l'Agriculture et de l'Elevage. 1.910 mECU. Management, planning, know-how, evaluation, maintenance. T.A. 6 months. Project in execution. 7th EDF. **EDF BU 7000 A6c, i**

**Improvement of the Kirundo city Access.** Resp. Auth.: Ministère des Travaux Publics et du Dév. Urbain (MTPDU) — Direction Générale des Routes. 15 mECU. Works 31.5 km between Muyange and Kirundo — R.N.14. Works: int. tender *★ launched (conditional).* Supervision. *Project in execution.* 7th EDF. **EDF BU 7006 A2d**

**Ruvubu Game Development.** Resp. Auth.: Ministère de l'Aménagement, du Tourisme et de l'Environnement. 4 mECU. Supervision and management. Elimination of conflictual sources between the game and population. Make the game accessible to the tourism. Works, supplies, T.A., training and sensibilization. Project on appraisal. 7th EDF. **EDF BU 6029 A5i**

**Support project to the micro-enterprises.** 10 m ECU. Support to prepare technical dossiers, management follow-up. T.A., training. Project on appraisal. 7th EDF. **EDF BU 7004 A4, A5**

## CAMEROON

**Rural development programme in the Logone and Chari.** Resp. Auth.: Semry. Estimated cost 12 mECU. Consolidation and extension of existing actions. Project on appraisal. 6th EDF. **EDF CM 6013 A3a**

**Rural development poles: Saa-ntui, Sang melima, Bafut.** Resp. Auth.: Ministère de l'Agriculture et du Plan et de l'Aménagement du Territoire. Total estimated cost 14.625 mECU. EDF 10.300 mECU, local 4.325 mECU. Strengthening of the monitoring structures, improvement and extension of basic socio-economic infrastructures, training, education, popularization of rural development, health. Works: tracks, buildings; supplies for civil works, vehicles, crop inputs, rural equipment. Project on appraisal. Date foreseen for financing 2nd half 92. 6th EDF. **EDF CM 6012 A3a**

**Support to the Structural Adjustment Programme. General Import Programme.** Hard currency allowance to import ACP and EC goods. There is a negative list. 29.5 mECU. T.A. for starting and follow-up. Project in execution. 7th EDF. **EDF CM 7200 A1c**

**Support to the health services.** Resp. Auth.: Ministère de la Santé Publique. 8.5 mECU. Works, supplies of medicines by int. tender, T.A. by G.T.Z. *Date financing*

- December 92.** 6th and 7th EDF.  
★ EDF CM 6030 (7004) A7e
- Road maintenance programme.** Resp. Auth.: Ministère des Travaux Publics. 21 mECU. Maintenance in 3 regions: Tikar plain, Ayos-Bertona, Yaundé. Project on appraisal. 7th EDF.  
EDF CM 6031 (7005) A2d

## CAPE VERDE

- Improvement of the urban management.** Resp. Auth.: Municipalidade de Praia. Direcção Geral Cartografia e Cadastro. EDF 0.800 mECU, local 0.371 mECU, Sweden and Dienste in Übersee (German Ngo). Strengthening of the cadastral and cartographical services, creation of a Study and Planning Office in the Municipality. Supplies, training. **Date financing December 92.** 7th EDF.  
EDF CV 6001 (7001) A8a, b

## CENTRAL AFRICAN REPUBLIC

- Support to the National Laboratory for Buildings and Public Works.** (LNBTP) Resp. Auth.: Ministère des T.P. 1.200 mECU. Works, supplies training.  
★ **Project in execution.** 6th EDF  
EDF CA 6011 A1a

## COMOROS

- Seed, support and market-garden development.** Resp. Auth.: Ministère de l'Agriculture. Total estimated cost 5.650 mECU. EDF 5.5 mECU, local 0.150 mECU. Production of improved vegetable material. Rural development actions, infrastructures, training teams. Works, supplies and T.A.  
★ **Project on appraisal. Date foreseen for financing January 93.** 7th EDF.  
EDF COM 5002 (7001) A3a
- Line of credit for S.M.E.** Resp. Auth.: Banque de Développement des Comores, 1 mECU. Small loans for farmers. Project on appraisal. 7th EDF.  
EDF COM 7002 A5b
- Micro-projects.** Estimated total cost 3.4 mECU, EDF 2.5 mECU, local 0.4 mECU, local communities 0.5 mECU. Warehouses, rural hydraulic and electrification, health, education, works, supplies, T.A. Project on appraisal. 7th EDF.  
EDF COM 7102 A3a

## CHAD

- Support programme to revitalize primary education.** Resp. Auth.: Ministère de l'Education Nationale. 10 mECU. Works by acc. tender or direct labour. Building materials, equipment, and educational equipment, by int. tender. Training programmes and support infrastructures. Project in execution. 7th EDF.  
EDF CD 7001 A6a
- Support Project to the National Authorizing Officer.** (NAO). Resp. Auth.: N.A.O. 1.8 mECU. T.A. to the N.A.O. (2 experts). Project in execution. 7th EDF.  
EDF CD 7002 A1f
- Environmental conservation in the South-East.** Resp. Auth.: Ministère du Tourisme et de l'Environnement. 3.5 mECU. Flora and fauna reconstitution in the Zakouma region. Integration, growing public awareness and participation of population for conservation of natural resources. Project in execution. 7th EDF.  
EDF CD 7002 (4017) A8f

- Support programme to improve maintenance and road infrastructure.** Resp. Auth.: Ministère des T.P. 15 mECU. Works, bridges, Moundou-Toubooro road study, institutional support to the Ministère des T.P. Training. Road study: short-list done. **Date financing December 92.** 7th EDF  
EDF CD 6001 (7003) A2d

## CONGO

- Support to the private sector and S.M.E.'s promotion.** Resp. Auth.: National Authorizing officer, Ministère for SME, EEC delegation, Associations. 10 mECU. Lines of credit, development, promotion, viability of micro — small and medium enterprises. T.A., supplies and line of credit. **Date financing November 92.** 6th and 7th EDF.  
EDF COB 6005/7001 A4, A5

## COTE D'IVOIRE

- Central Region food crops programme.** Resp. Auth.: Ministère de l'Agriculture. EDF 40 mECU. Irrigation, agriculture modernization, young settlements. Food crops production marketing improvement. Works, soil improvement, supplies, T.A. studies, follow-up and evaluation. Project on appraisal. Date foreseen for financing 2nd half 92. 6th EDF.  
EDF IVC 6009 A3a
- Support to the Structural Adjustment Programme. General Import Programme.** Hard currency allowance to import ACP and EEC goods. There is a negative list of items not eligible (military-luxury products). 15.5 mECU. T.A. for the Ministère de l'Economie et Finances and T.A. for the Ministère de la Santé. Project in execution. 7th EDF.  
EDF IVC 7200 A1c
- Health sector support programme.** 11.2 mECU. Strengthening basic cares, correcting unbalances between regions and support to decentralization. **Project in execution.** 7th EDF.  
EDF IVC 6011 (7001) A7

- Support programme to coastal cities.** 28.5 mECU. Social and economic infrastructure, planning and management of municipalities. Project on appraisal. Date foreseen for financing end 92. 7th EDF.  
EDF IVC 7001 A8a, b
- Research — development programme for garden-market, agro-forestry and fruit-trees sectors.** Resp. Auth.: Ministère de l'Enseignement Supérieur et de la Recherche Scientifique and IDESSA-IDEFOR/DFO and IDEFOR/DFA. Ministère de l'Agriculture. 8.760 mECU. Supplies and T.A. Project on appraisal. Date foreseen for financing end 92. 7th EDF.  
EDF IVC 7003 A6f, A6c, i

## DJIBOUTI

- Fight against desertification and development of livestock husbandry in Western-Djibouti.** Resp. Auth.: Ministère de l'Agriculture et du Développement Rural. 1.665 mECU. Supply of equipments, studies, T.A. Project on appraisal. 7th EDF.  
EDF DI 6008 A3a
- Handcraft promotion.** Resp. Auth.: Office National du Tourisme et de l'Artisanet. Estimated total cost 2.371 mECU. EDF 1.960 mECU, local 0.071 mECU, France (Volontaires du Progrès) 0.340 mECU.

- Training, trade and technical advise, incitement for professional grouping, financial assistance. Works, supplies, T.A. for training, monitoring and technical support. **Project in execution.** 7th EDF  
EDF DI 7001 A4d

## DOMINICA

- Structural Adjustment Support Programme.** Resp. Auth.: Ministry of Finance and Development — Economic Development Unit. 2 mECU. General Import Programme. **Date financing December 92.** 7th EDF.  
EDF DOM 7200 A1c

## DOMINICAN REPUBLIC

- Integrated rural development project in the NORESTE (PROLINO).** Resp. Auth.: Ministry of Agriculture. EDF 23.61 mECU. Building of earth-dams, infrastructures, supply of equipments, T.A. and lines of credit. **Date financing December 92.** 7th EDF.  
EDF DO 7006 A3a

## EQUATORIAL GUINEA

- Essential goods import programme.** Resp. Auth.: Presidency of the Republic. Estimated cost 1.5 mECU. Hard currency allowance to import essential goods. Project on appraisal. 5th and 6th EDF.  
EDF EG 0000 A1c

- Conservation and rational utilisation of the forest ecosystems.** Resp. Auth.: Ministry of Agriculture, Livestock farming, Fisheries and Forests. Directorate General for Forests. 5.070 mECU. Land Classification and Use Master Plan — National System of Conservation Units — Forest Training and Research Centre. T.A. and supply of equipment. Project on appraisal. Date foreseen for financing 2nd half 92. 6th EDF.  
EDF EG 6001 A3c, e, i
- M'Ini — Akalayong road.** Rehabilitation and improvement of the road. 65 km. Int. tender for works (conditional). Estimated cost 1.6 mECU. **Project in execution.** 6th EDF.  
EDF EG 6006 A2d

- Rural development programme in the South-East.** Resp. Auth.: Ministère de l'Agriculture. 4.500 mECU. Works, supplies and T.A. Project in execution. 7th EDF.  
EDF EG 6005 (7001) A3a

## ETHIOPIA

- South Shewa conservation-based rural development.** Resp. Auth.: Ministry of Agriculture. 26.2 mECU. Buildings, roads, rural infrastructure, agricultural inputs, consumer goods, training, T.A., micro-projects, credit line. Project in execution. 6th EDF.  
EDF ET 6005 A3a
- Coffee improvement programme III.** Resp. Auth.: Ministry of Coffee and Tea Development. 38.1 mECU. Construction and civil works, supply of equipment, vehicles and agric. inputs, aerial photography, training and T.A. Project in execution. 6th EDF.  
EDF 6003 A3a
- Lake fisheries project.** Resp. Auth.: Ministry of Agriculture, Fisheries Dept. 7.5 mECU. Provision of inputs to fishermen, development of cooperatives, establishment of marketing organisation and infrastructure,

training, research and fingerling production centres. Works, supplies and T.A. Project in execution. 6th EDF. EDF ET 6008 A3d

**Foreign trade development.** Resp. Auth.: Ministry of Foreign Trade (MOFT). 1.5 mECU. T.A.: two-years marketing expert. a team of marketing specialists (short-term consultancy services in Ethiopia). Market research, training in international marketing and international trade, technical seminars. Equipment and supporting services. Project in execution. 6th EDF. EDF ET 6010 A5de

**Sectoral Import Programme IV.** Resp. Auth.: AISCO and ESC for agricultural inputs. Vice Minister of Industry in charge of private sector and handicrafts development, the National Bank, the Commercial Bank of Ethiopia, and the EDF Nat. Auth. off. for the hard currency line for the private sector. Fertilizers, seeds and chemicals by int. tender. Procurement Unit for 3-4 years. 27 mECU. Project in execution. 7th EDF. EDF ET 7200 A1c

**Short-term support programme for the reconstruction and development of Erytrea.** 19.800 mECU. Dans for irrigation, rural hydraulics, road rehabilitation. Works by direct labour, supplies by int. tenders, T.A. *Project in execution.* 7th EDF. EDF ET 7001 A96

## FIJI

**Investment and export development.** Resp. Auth.: Ministry of Trade and Commerce (MTC) and Fiji Trade and Investment Board. 7.2 mECU. Land purchase for the Tax Free Zone, works, supply of equipment, T.A. and training. Project in execution. 6th EDF. EDF FIJ 6007 A5d

## GABON

**Population general census.** Resp. Auth.: Ministère de la Planification. EDF part 0.485 mECU. Payment of specialized temporary staff and supply of equipment. Project in execution. 7th EDF. EDF GA 7001 A1g, h

**Construction of 95 classrooms (primary school) in Libreville.** Resp. Auth.: Ministère de l'Education. 6.5 mECU. Works, supply of equipment, work supervision and coordination. *Date financing December 92.* 5th and 6th EDF. EDF GA 5017 A6a

## GAMBIA

**Rural Development Programme.** Resp. Auth.: Ministry of Finance and Economic Affairs. 14.5 mECU. Rehabilitation of Water schemes, supply of road equipment and materials, T.A. and supervision. Project in execution. 6th EDF. EDF GM 6004 A3a

**Training programme.** Resp. Auth.: Office of the President. 0.800 mECU, Institutional linkage of the Management Devpt. Institute with a European institution for training in financial and economic management and administration. Project in execution. 7th EDF. EDF GM 7001 A6b

## GHANA

**Accra Plains Livestock Development Project (APLDP).** Estimated total cost

4 mECU. EDF part 3 mECU, local 1 mECU. Provision of veterinary and animal husbandry extension services, including construction of cattle treatment centres, water points and other inputs. Project on appraisal. 6th EDF. EDF GH 6006 A3a

**Twifo oil palm development. Maintenance aid 1988-1991.** Resp. Auth.: Ministry of Finance and Economic Planning (M.F.E.P.). Total estimated cost 12.6 mECU. EDF 5 mECU, local 7.6 mECU. Works, supply of equipment and T.A. Project on appraisal. 6th EDF. EDF GH 6007 A3a

**Second microprojects programme. (Lomé III).** Total cost 9 mECU, Ministry of Finance and Economic Planning 2 mECU. District assemblies - communities 1 mECU. Construction of schools, clinics, wells, sanitation facilities, markets. Local T.A. Project on appraisal. 6th EDF. EDF GH 6102 A6, A7, A8

**Structural Adjustment General Import Programme.** Hard currency allowance to import ACP and EEC goods. There is a negative list of items not eligible (military-luxury and environmentally hazardous product). 20 mECU. T.A. for procurement agent possible. Project in execution. 7th EDF. EDF GH 7200 A1c

## GRENADA

**Farm and feeder roads project.** Resp. Auth.: Ministry of Agriculture. 1.580 mECU. Construction or rehabilitation. Works by direct labour. *Project in execution.* 7th EDF. EDF GRD 7002 A3a

**Microprojects programme.** Resp. Auth.: Ministry of Labour, Social Service, Community Development. 0.220 mECU. Water supply, road improvements, repairs and extension of schools, medical and community centre and sports grounds. Project on appraisal. 7th EDF. EDF GRD 7102

## GUINEA

**Contribution to the Rubber and Palm Tree and Rice Programme in 'Guinée Forestière'.** Resp. Auth.: Ministère de l'Agriculture and SOGUIPAH. EDF part 5 mECU. Intensification of village rural production. Soil preparation, feeder roads, rice inputs. Project in execution. 6th EDF. EDF GUI 6008 A3a

**General Import Programme.** Hard currency allowance to import ACP and EC goods. There is a negative list of items not eligible (military, luxury and environmentally hazardous product). 14 mECU. T.A. for implementation and follow-up. *Project in execution.* 7th EDF. EDF GUI 6009/7001 A1c

**Improvement of living conditions in backward areas.** Resp. Auth.: Ministères de Santé de l'Enseignement et de l'Agriculture. 20 mECU. Building, rehabilitation and equipping of health infrastructures (regional hospitals and health centres) education (teacher national schools, primary schools). Water points. Work, supervision. Project on appraisal. 7th EDF. EDF GUI 6022 (7002) A6, A7, A8

**Road Infrastructure Programme.** Resp. Auth.: Ministère des Transports. Ministère des T.P. Building, reconstruction of national and secondary road. 50 mECU.

★ Works, supervision, several T.A. *Date financing December 92.* 7th EDF. EDF GUI 6021 (7003) A2d

**Rural Development Programme — Western Upper Guinea.** Resp. Auth.: Ministère de l'Agriculture et des Ressources Animales. 15 mECU. Cotton, crop, stock-farming, rice-growing, bee-keeping, draught farming, market-garden, rural credit, processing, feederroads, Works, supplies, line of credit. *Date financing December 92.* 7th EDF. EDF GUI 6002 (7004) A3a

## GUINEA BISSAU

**Rural development programme.** 23.8 mECU. Improvement of food and fisheries production, line of credit, micro-projects, T.A. and training. Project in execution. 6th EDF. EDF GUB 6001 A3a

**Project for the rehabilitation of social and economic infrastructures.** Resp. Auth.: Ministry of Public Works. 11 mECU. Road rehabilitation, schools, health centres, urban roads, markets, water and sanitation. Construction of secondary bridges, access roads, supply of a ferry. Works, supplies and T.A. *Date financing November 92.* 6th and 7th EDF. EDF GUB 6013 (PRI) A7, A8

**Support to the guinean students abroad.** Resp. Auth.: Office International pour les Migrations (executive organization), EEC Delegation in Bissau and Ministère de l'Education et de la Culture. 1.450 mECU. To repatriate or payment of scholarships supplements, evaluation. Project in execution. 7th EDF. EDF GUB 7003 A6b

## GUYANA

**Sea defence programme.** Resp. Auth.: Hydraulic Division. 12 mECU. Rehabilitation of 11 km of sea defences procurement of materials and equipments. T.A. and training. Project on appraisal. 7th EDF. EDF GUA 6003 (7001) A8g

**Immediate action programme for the Demerara Harbour Bridge.** Resp. Auth.: Ministry of Finance. 3 mECU. Works, supplies, T.A. and training. Project on appraisal. 7th EDF. EDF GUA 6011 (7002) A2d

**New Amsterdam water supply.** Resp. Auth.: Ministry of Finance. 4 mECU. Construction of the ring main system, reservoir, supplies T.A. and training. Project on appraisal. 7th EDF. EDF GUA 6012 (7003) A2b

**Credit development to S.M.E.'s.** 0.250 m ECU. Line of credit, T.A. and training. Project on appraisal 7th EDF. EDF GUA 7001 A4, A5

## JAMAICA

**Negril and Ocho Rios sewerage schemes.** Resp. Auth.: National Water Commission. 25 mECU. Negril: 17 km of trunk sewers, 13 pump stations and 2 treatment plants. Ocho Rios: 5 km of sewers, 6 pump stations, 1 treatment plant and deep sea outfall. T.A. for supervision. Works by int. tender. Project in execution. 5th EDF. EDF JM A8bc

**Support to the Structural Adjustment Programme. General Import Programme.** Hard currency allowance to

import ACP and EC goods. 8.4 mECU. T.A. for following, evaluation and procurement Agent. Project in execution. 6th and 7th EDF.  
EDF JM 7001 A1c

**Road rehabilitation and Institutional Strengthening Project.** Resp. Auth.: Ministry of Construction — Works (MOC-W) 13.5 mECU. Rehabilitation and maintenance. Supply of equipment, T.A. to the Ministry. Works by acc. tender and direct labour. Supplies by int. tender. T.A.: short-list done. Project in execution. 7th EDF  
EDF JM 6001 (7001) A2d

**Return and reinstatement of qualified nationals.** Project in execution. 7th EDF  
EDF JM 7002 A1c

**All-island beekeeping development. Phase II.** Resp. Auth.: Ministry of Agriculture. EDF 1.700 mECU, local 0.230 mECU. Supply of equipment, vehicles, specialized T.A. research, training. Project in execution. 7th EDF  
EDF JM 7003 A3a

**Target Europe Programme. Resp. Auth.: 'Jamaican Promotion Corporation' (JAMPRO). 3 m ECU. Trade and investments promotion. Marketing, T.A., training. Project on appraisal. Date foreseen for financing January 93. 7th EDF**  
EDF JM 5021/7004 A5c,d,e

## KENYA

**Conservation and Management of indigenous forests.** Resp. Auth.: Ministry of Environment and Natural Resources. Estimated total cost 67.5 mECU. EDF 4.4 mECU, ODA (UK) 11 mECU, World Bank 16 mECU, SDC (Switzerland), FINNIDA 17.7 mECU, local 18.4 mECU. EDF part: T.A., supplies and materials to the Kenya Forests Dept. (KFD). Works, supplies, T.A., training and evaluation. **Project in execution.** 7th EDF  
EDF KE 6025 (7001) A3c

**Assistance to 1992 Electoral Process.** Resp. Auth.: Parliamentary Electoral Com. Total cost estimates 27.8 mECU. EDF 1.96 mECU, EEC Budget 0.5 mECU, ODA (UK) 0.4 mECU, Kenya — Austria — EEC Member States 24.94 mECU. Promotion of human rights and democratisation through support to the preparation and execution of general legislative, presidential and local elections. EDF part: provision of security printed ballot papers and technical expertise. Project in execution. 7th EDF.  
EDF KE 7001 A1c

**Elephant and Community Wildlife Programme.** Resp. Auth.: Kenya Wildlife Service (KWS). EDF part 4 mECU. Erection of wildlife proof barriers to protect neighbouring communities. Supplies, T.A. and training. Project on appraisal. 7th EDF.  
EDF KE 6024(7002) A3a, A5i, A8f

## LESOTHO

**Structural Adjustment Support Programme.** 2.5 mECU. Project in execution. 7th EDF.  
EDF LSO 7200 A1c

## MADAGASCAR

**Rice and fish-breeding promotion and popularization.** Resp. Auth.: Ministère de la Production Animale, des Eaux et Forêts (MPAEF). 2.300 mECU. Fish-breed-

ing and research centres, excavation, rehabilitation, reclaim of swamps, access roads, supply of equipments and T.A. T.A.: short-lists done. Project in execution. 6th EDF.  
EDF MAG 6023 A3a

**Livestock development in the South-West.** Resp. Auth.: Ministère de la Production Animale. Estimated total cost 6.850 mECU. EDF 5.700 mECU, local 1.150 mECU. Buildings and feeder roads. Supply of equipments and T.A. Project in execution. 6th EDF.  
EDF MAG 6013 A3a

**Slaughter-house equipments programme for secondary towns.** Resp. Auth.: Ministère de l'Elevage. 2.250 mECU. Construction of 7 slaughter-houses by acc. tender. Supplies by int. tender. T.A. for follow-up and coordination. **Date financing November 92.** 6th EDF.  
EDF MAG 5024(6024) A3a

**Kamolandy bridge reconstruction.** Resp. Auth.: Ministère des Travaux Publics. 1.540 mECU. Bridge «submersible». Project on appraisal. 6th EDF.  
EDF MAG 6027 A2d

## MALAWI

**Strategic fuel reserve.** Resp. Auth.: Office of the President and Cabinet. Contingency Planning Unit. 4.2 mECU. Construction of tanks for diesel, petrol, ethanol. Associated infrastructure and equipment. T.A. Project on appraisal. 5th EDF.  
EDF MAI 5020 A2a

**Programme for industrial products imports.** 12.5 mECU. Supply of industrial equipment, raw materials and spare parts. Project in execution 6th EDF.  
EDF MAI 6019 A1c

**Aid for refugees.** Resp. Auth.: Food Aid Coordination Unit in the Office of the President and Cabinet (OPC). 5.224 mECU. The programme concerns basic needs for refugees from Mozambique. Roads, wells, drinking water, health, education. Management by UNHCR, Red Cross, MSF, Concern Universal. Project in execution. 7th EDF.  
EDF MAI 7255 A6, 7, 8

**A.I.D.S. prevention programme Phase II.** Resp. Auth.: Ministry of Health. 1.200 m ECU. Supply of information material, laboratory equipment, T.A. and training. Project on appraisal. 7th EDF  
EDF MAI 7001 A7

## MALI

**Support programme to S.M.E. creation.** Lines of credit, T.A. and follow up. 13 mECU. Project in execution. 7th EDF.  
EDF MLI 6001 (7001) A4,A5

**Health programme and population.** Resp. Auth.: Ministère de la Santé Publique. Estimated total cost 51.7 mECU. EDF 12 mECU, F.R. Germany and France 6.4, World Bank 21.6 mECU, local 3.5 mECU, USAID 8.2 mECU. Rehabilitation of health centres. T.A. for pharmaceutical sector, supply of medicines (with anticonceptionals and condoms). Project on appraisal. 7th EDF.  
EDF MLI 7022 A7

## MAURITANIA

**Support programme for the development of the Gorgol region (PDRG).** Estimated cost 35 mECU. Improvement of

the irrigated areas, support for traditional crops, regeneration of natural habitats, rural infrastructure, sanitation of Kaedi. Project in execution. 6th EDF.  
EDF MAU 6007 A3a

**First road programme.** Resp. Auth.: Ministère de l'Équipement et des Transports, 17.5 mECU. Strengthening works, training works supervision. Works by int. tender. Project in execution. 7th EDF.  
EDF MAU 7001 A2d

**Rehabilitation of Nouakchott and Aioun Hospitals.** Resp. Auth.: Ministère de l'Équipement et des Transports. 8 mECU. Works, supply of equipment, staff training. Supervision and audit. Project on appraisal. 5th, 6th and 7th EDF.  
EDF MAU 6009 A7a

**Gold-field prospection programme.** Resp. Auth.: OMRG 2.5 mECU. Site identification in the Tasiast and South-Mauritanides regions. Equipments, T.A. and training. **Project in execution.** 7th EDF  
EDF MAU 7002 A4a

**Rehabilitation of the Nouakchott Wharf.** Resp. Auth.: Ministère de l'Équipement et des Transports. 4.5 mECU. Works, supervision, follow-up and evaluation. Project on appraisal. 7th EDF.  
EDF MAU 5002(7003) A2d

## MAURITIUS

**Pamplemousse — Grand Baie Road.** Resp. Auth.: Ministère des Travaux Publics. Road construction. 11.8 km. Works and supervision. Works by int. tender (conditional). Supervision: short-list done. Total cost 7.4 mECU. EDF 5.7 mECU, local 1.7 mECU. Project in execution. 5th and 7th EDF.  
EDF MAS 5014 (7001) A2d

## MOZAMBIQUE

**Integrated development programme of Cabodelgado.** Resp. Auth.: Ministry of Commerce. AGRICOM. 8 mECU. EDF 5 mECU, local 3 mECU. Support to ± 50 000 people in the districts of Mocimboa, Praia and Mueda. Works, supplies and T.A. Project in execution. 6th EDF.  
EDF MOZ 6022 A3a

**Moamba region food self-sufficiency.** Rehabilitation of infrastructures, supply of agricultural inputs. T.A. for 18 months. 2 mECU. Project in execution. 7th EDF  
EDF MOZ 6034 (7001) A3a

**Structural Adjustment Support Programme. General Import Programme.** Resp. Auth.: Ministères du Commerce et des Finances. 54.7 mECU. hard currency allowance to import ACP and EEC goods. There is a negative list of items not eligible (military-luxury and environmentally hazardous products). T.A. for management, follow up and evaluation. **Project in execution.** 7th EDF.  
EDF MOZ 7200 A1c

**Training for railways staff. Phase II.** T.A. for the regional School at Inhambane and the provincial centres of railway training. 20 mECU. T.A. and supply of equipment. Project on appraisal. 7th EDF.  
EDF MOZ-REG 6409 A2d, A6d

**Support to the electoral process.** Resp. Auth.: Commission Nationale Electorale. 9 m ECU. T.A. supply of security printed ballot papers. Date financing December 92. 7th EDF  
EDF MOZ 7004 A1c

**Support to the rural health sector.** 15.390 m ECU. Assistance to populations, assistance to war's mutilated and disabled people. Management by existing N.G.O.'s. Date financing December 92. 7th EDF  
EDF MOZ 7255 A7

**Support to road rehabilitation and water supply.** Resp. Auth.: Ministère de la Construction et de l'Eau. Direction Nationale des Routes et des Ponts (DNEP) and Direction Nationale de l'Eau (DNA). 10 m ECU. Works and supplies. T.A. Date financing December 92. 7th EDF  
EDF MOZ 7005 A2d

**Reinstatement of displaced, refugees and demobilized people.** 11 m ECU. For about 108,000 families. Supply of T.A., workshops, tools, building materials and equipments, 'Kits' for S.M.E's, agricultural tools, seeds. Date financing December 92. 7th EDF  
EDF MOZ 7006 A3a

## NAMIBIA

**In-Service Training and Assistance for Namibian Teachers (INSTANT).** Resp. Auth.: Ministry of Education and Culture. National Institute for Educational Development. 4.500 mECU. T.A. training, works and supply of pedagogical equipment. T.A.: short-list done. Project in execution. 7th EDF  
EDF NAM 7001 A6b, d

## NIGER

**Support to the development of the private sector (S.M.E.).** Resp. Auth.: AFELEN (Agence pour le Financement et l'Encouragement de la Libre Entreprise au Niger) - Niamey. 12 mECU. T.A. for the AFELEN and line of credit. Project in execution. 7th EDF  
EDF NIR 6023 (7003) A5b

**Re-arrangement of the health services located in the ancient 'Maternité Centrale' in Niamey.** Resp. Auth.: Ministère de la Santé Publique. Estimated total cost 9.650 mECU. EDF 3.150 mECU, Spain 6.500 mECU. Works by acc. tender (EDF part), supply of equipments and T.A. by Spain. Project in execution. 5th EDF.  
EDF NIR 6027 A7a

**Sectoral Import Programme for medical supplies and inputs for the productive system.** Resp. Auth.: Ministère de Finances et du Plan. 23 m ECU. Hard currency allowance to finance imports. T.A. Project on appraisal. Date foreseen for financing January 93. 7th EDF  
EDF NIR 7002 A1c

**Small Irrigation in the Tarka Lower Valley (Phase II).** Resp. Auth.: Ministère de l'Agriculture et de l'Élevage. 16 m ECU. Irrigation works, infrastructures, environment, supply of equipment and T.A. Project on appraisal. Date foreseen for financing January 93. 7th EDF  
EDF 6002/7001 A3a

## NIGERIA

**Export Development Programme.** Resp. Auth.: Nigerian Export Promotion

Council. 37 mECU. To transfer export know how to ±250 Nigerian firms. Components: sectors, market, human resources and institutional development. Others: T.A. for management and supervision. Project on appraisal. 7th EDF.  
EDF UNI 6011 A5d

**General Import Programme.** 55 mECU, Hard currency facility to import goods and equipment not specifically excluded via a negative list. T.A. foreseen. Project on appraisal. Date foreseen for financing 2nd half 92. 7th EDF.  
EDF UNI 7200 A1c

**Oban Hills Programme.** EDF 16.5 mECU, Germany (KFW) 11 mECU. Park management and conservation, support zone development, park research and monitoring. To give the local people an incentive to protect - support the park. Buildings-peripheral facilities, supply of equipment and vehicles, T.A. and research studies. Villages Development Funds and recurrent costs. Project in execution. 7th EDF.  
EDF UNI 7001 A3c, e-A8f

**Rubber Research Institute of Nigeria (RRIN).** Resp. Auth.: R.R.I.N. 8 mECU. Works, infrastructures, rehabilitation of building, repair of roads, water supply. Supply of vehicles, tractors, laboratory and comp. equipment. T.A. and training. Project on appraisal. 7th EDF  
EDF UNI 6012 (7002) A3a

**University Libraries Project.** Resp. Auth.: National Universities Commission. 11.500 mECU. Small repairs work, supply of book, and scientific journals, equipment, T.A. and training. **Project in execution.** 7th EDF  
EDF UNI 7004 A6b

**Katsina Arid Zone Programme.** Resp. Auth.: Governor of Katsina State. 25 mECU. Soils and forests protection, livestock, increase agricultural productivity, irrigation, rural and social infrastructure, management and coordination, training. T.A.: restr. tender after prequalification. **Project in execution.** 7th EDF  
EDF UNI 7005 A3a

**Urgent assistance to the News Agency of Nigeria (N.A.N.)** Resp. Auth.: N.A.N. 1.300 mECU. Repair-reconstruction of N.A.N. communication building, procurement - installation of new telecommunication equipments. Works, supplies and T.A. **Project in execution.** 7th EDF.  
EDF UNI 7007 A5g

**NITEL Maintenance training programme.** Resp. Auth.: Nigerian Telecommunications. 10 mECU. Rehabilitation works, supply of equipments, T.A. and training. Project on appraisal. 7th EDF.  
EDF UNI 7008 A2c

## PAPUA NEW GUINEA

**Second Structural Adjustment Programme. General Import Programme.** 11 mECU. Foreign currency facility to the Bank of PNG. There is negative list of items not eligible (military-luxury items). Project in execution. 7th EDF.  
EDF PNG 7200 A1c

**Third Structural Adjustment Programme. General Import Programme.** 8.5 m ECU. Same as 2nd programme. Project on appraisal. 7th EDF  
EDF PNG 7201 A1c

## RWANDA

**Institutional Support.** Resp. Auth.: Ministère du Plan. 3.5 mECU. T.A. by 4 experts for 4 years to strengthen administration capacities to implement Lomé IV. **Project in execution.** 7th EDF.  
EDF RW 7001 A1f

**Drinking water supply in the Bugesera East.** Resp. Auth.: Ministère de Travaux Publics. 9 mECU. Pumps, treatment, tanks, renovation existing network. Works, supplies and supervision. Project on appraisal. 7th EDF.  
EDF RW 6007 (7002) A2b

## ST. KITTS AND NEVIS

**Development of Social Infrastructure - Phase II.** Resp. Auth.: Ministry of Education and Ministry of Works, Communications and Public Utilities. 0.872 mECU. Construction and supply of furnitures for primary schools, supply of equipments, T.A. for supervision of works. Project on appraisal. 5th and 6th EDF.  
EDF SCN 6001 A6a

## ST. VINCENT AND THE GRENADINES

**Mount Wynne - Peter's Hope Land Resettlement Project.** Resp. Auth.: A.R.D.P. - Agricultural Rehabilitation - Diversification Programme. Total estimated cost 3.329 mECU, local 0.129 mECU. Road realignment, cadastral surveys, allocation of small holdings on leasehold bases, works, supplies and T.A. for supervision. Project on appraisal. 7th EDF.  
EDF SUG 7001 A36, A84

## SAO TOME & PRINCIPE

**Sectoral Import Programme for Structural Adjustment Support.** Resp. Auth.: Secrétariat d'Etat à la Coopération - Délégation de la Commission à Libreville et Antenne de la Commission à Sao Tomé. 1.5 mECU. Medical supplies, school equipment, foods and T.A. **Project in execution.** 7th EDF.  
EDF STP 7200 A1c

## SENEGAL

**Consolidation of the livestock development programme.** Resp. Auth.: SODESP. Estimated cost 1.6 mECU. Study under way by Bessel Ass. (UK). Project on appraisal. 5th EDF.  
EDF SE A3a

**Support to the Sectoral Adjustment Programme for Transports.** Resp. Auth.: Ministère de l'Équipement, des Transports et de la Mer. M.E.T.M. 70 mECU. Works by int. tender for 4 roads. Supervision: short-lists to be done. Training. General Import Programme (10 mECU). Project in execution. 7th EDF.  
EDF SE 5046 (7001) A2d

**Tourism promotion.** 1.960 mECU. Project in execution. 7th EDF  
EDF SE 5046 (7003) A5c

**Support programme to the senegalese phosphate sector (2nd phase).** Resp. Auth.: Industries Chimiques du Sénégal (I.C.S.). 10.500 mECU. Construction of a recuperation plant for schlamms - 20 T/h in Daran. **Project in execution.** 6th EDF.  
EDF SYS SE 1712 A4a

## SEYCHELLES

**Tuna quay rehabilitation.** Resp. auth.: S.F.A. 1.200 mECU. Supply of equipment and works. Project in execution. 6th EDF. EDF SEY 6008 A2d

## SIERRA LEONE

**North Western artisanal fisheries and community development programme.** Resp. Auth.: Ministry for Agriculture and Natural Resources (Fisheries Division). 6 mECU. Infrastructure, supply of equipment, line of credit. T.A. Project in execution. 6th EDF. EDF SL 6004 A3d

**Rehabilitation of the Telecommunications network. Phase 2.** 7.5 mECU. Works, supplies and T.A. Project in execution. 6th EDF. T.A.: BRITISH TELCONSULT (UK) EDF SL 6006 A2c

**Tourism development programme.** Estimated cost 0.850 mECU. T.A. to the Ministry of Tourism and supply of equipment. Project stage: identification. 5th EDF. EDF SL 5026 A5c

**Agricultural Sector Support Programme.** Resp. Auth.: Ministry of Agriculture. 14.3 mECU. Construction of stores, rehabilitation of feeder roads, vehicles, agricultural inputs, materials, T.A. for project management, training. *Date financing December 92.* 7th EDF. EDF SL 7001 A3a

## SUDAN

**Sudan Railways Support Programme (SRSP).** Resp. Auth.: Sudan Railways Corporation. 19 mECU. Supply of materials, tools and replacement parts, for the most immediate repairs and maintenance of the track Khartoum-Port Sudan and those required for a direct improvement of telecommunications. Works and supplies by int. tender. Project in execution. 5th and 6th EDF. EDF SU 6011 A2d

**Post Flood Reconstruction and Rehabilitation Programme (PFRP).** Resp. Auth.: agricultural part: Agricultural Bank of Sudan. Transport infrastructure: Roads and Bridges Public Corporation (RBPC) and Sudan Railways Corporation. 15 mECU. Agricultural sector: supply of spare parts for repair and replacement of 2500 pumps. Int. tender and direct agreement. Supply of maintenance parts for 100 trucks (6t): by int. tender. Supply of 100 pumps by int. tender. T.A. for repair, control and credit allowances. Transport sector: bridges repair and work supervision. Supplies for railways, gabions, pipes by int. tender. Project in execution. 6th EDF. EDF SU 6020 A2d

## SURINAME

**Rehabilitation Road Section Jenny - Ingikondre.** Resp. Auth.: Ministry of Public Works. 4.5 mECU. New asphalt surfacing on 37 km and ancillary works. T.A. for supervision and tender dossier preparation. *★ Works: acc. tender (conditional) launched. Opening 27.1.93.* Project on appraisal. 5th EDF. EDF SUR 5011 A2d

## SWAZILAND

**Technical Cooperation programme.** Resp. Auth.: Government of Swaziland (N.A.O.) 1.860 mECU. T.A. 12 person-years to selected agencies in the public and parastatal sectors. Project on appraisal. 7th EDF. EDF SW 7001 A1f

**Support to Smallholder Agricultural Production.** Resp. Auth.: Central Cooperative Union (C.C.U.) Total cost 1.315 mECU. EDF 0.950 mECU, local 0.365 mECU. Completion — renovation of 18 forming inputs — crop marketing depots. Supply of equipment, supervision and training. Project in execution. 7th EDF. EDF SW 5005 (7002) A3a

## TANZANIA

**Management Assistance To Morogoro Canvas Mill.** 1.950 mECU. Continuation of T.A. for the management. *★ Project in execution.* 7th EDF. EDF TA 6002 A4b

**Port development Zanzibar and Pemba ports, phase II.** Resp. Auth.: Ministry of Works. Zanzibar. Estimated total cost 13.4 mECU. EDF 10 mECU, Italy 3.4 mECU. Procurement and rehabilitation of cargo handling equipment. Rehabilitation of transit sheds, construction of passenger terminal with RO-RO facilities. Study: design of passenger terminal with RO-RO facilities for Zanzibar port. Short-list done. Project on appraisal. 7th EDF. EDF TA 6009 A2d

**Structural Adjustment Support - General Import Programme.** Resp. Auth.: Central Bank of Tanzania. 30 mECU. Importation of goods in the context of Tanzania's open general licence system, subject to a negative list. T.A. Project in execution. 7th EDF. EDF TA 7200 A1c

**Support for Aids Control in Tanzania.** Resp. Auth.: Ministry of Health. 3 mECU. To strengthen health and other support services. Supply of equipments and T.A. Project on appraisal. 7th EDF. EDF TA 08000/000 (7001) A7c

**Southern Telecommunications Project.** Resp. Auth.: Ministry of Communication. 25 mECU. Supply and installation of telecommunication equipment. T.A. short-list done. Supplies: int. tender (Conditional) n° 3557 launched end of June 92. Opening date 28.9.92. *Date financing December 92.* 7th EDF. EDF TA 6011 (7003) A2c

**Serengeti Conservation and Development project.** Resp. Auth.: Ministry of Tourism, Nat. Resources and Envir. 9 mECU. Road and water supply rehabilitation, supply of equipments, studies and T.A. Project on appraisal. 7th EDF. EDF TA 7002 A3a

## TOGO

**General Import Programme.** Hard currency allowance to import ACP and E.C. goods. T.A. for management and implementation. 17 mECU. Project in execution. 7th EDF. EDF TO 7200 A1c

## TONGA

**Vava'u Airport Development Project.** Resp. Auth.: Ministry of Civil Aviation 2.130 mECU. Works. supply of equipment and training. Works by direct labour, supplies by int. tender. Project on appraisal. 5th and 6th EDF. EDF TG 5003-6001 A2d

**Vava'u development programme.** Resp. Auth.: Vava'u Committee. 5 mECU. Construction of new market, road improvement and maintenance, education and health facilities, training. Project in execution. 6th EDF. EDF TG 6002 A8b

## TRINIDAD AND TOBAGO

**Sectoral import programme: industry.** 12 mECU Allocation of currencies to import raw materials and intermediate products. Project in execution. 6th EDF. EDF TR 6002 A4b

## TUVALU

**Electrification development programme.** Upgrade existing diesel power station — extend provision of electricity for home lighting to households on the outer islands. Supply of photovoltaic systems. *★ 1.020 mECU. Project in execution.* 6th EDF. EDF TV 6004 A2a, i

**Tuvalu fuel import programme.** Resp. Auth.: Tuvalu Electricity Authority Corporation (TEAC) 0.900 mECU. Diesel fuel purchase. *Project in execution.* 7th EDF. EDF TV 7001 A1c

## UGANDA

**Structural Adjustment Support - General Import Programme.** 35 mECU. Hard currency allowance to import ACP and EC goods. There is negative list of items not eligible (military-luxury items). T.A. procurement agent. Project in execution. 6th and 7th EDF. EDF UG 7200 A1c

**Human resources development programme.** Resp. Auth.: Ministry of Finance and Economic Department. 12.8 mECU. Infrastructural rehabilitation, equipments *★ T.A. and training. Date financing December 92.* 7th EDF. EDF UG 7001 A6b, c, d

## ZAIRE

**Apek Programme, roads section.** Resp. Auth.: Office des Routes. 35 mECU. Rehabilitation of 111 km of surfaced road on the Kinshasa-Kikwit route with works supervision — upgrading of 384 km of major earth roads managed by Office des Routes. Rehabilitation of 496 km of country earth roads managed by local authorities. Bridge repairs, additional technical and economic studies, training programme. Supply of equipment. Project on appraisal. Date foreseen for financing 2nd half 92. 6th EDF. EDF ZR 6006 A2d

## ZAMBIA

**Smallholder development in copper belt region.** Resp. Auth.: Ministry of Agriculture and water development. 12 mECU.

Basic infrastructure by acc. tender Supply of vehicles and materials by int. tender T.A. Project in execution. 6th EDF  
EDF ZA 6004 A3a

**Smallholder development in central province.** Resp. Auth.: Ministry of Agriculture and water development. 12.35 mECU. Basic infrastructure and social facilities. Works, supplies and T.A. Project in execution. 6th EDF.  
EDF ZA 6005 A3a

**General Import Programme.** Resp. Auth.: Bank of Zambia. 41.5 mECU. Hard currency allowance to import ACP and EC good. T.A. already financed on previous funds still on the spot. Project in execution. 7th EDF.  
EDF ZA 7200 A1c

★ **SYSMIN III - General import.** Resp. Auth.: Bank of Zambia. 60 mECU. *Date financing December 92.* 7th EDF.  
EDF ZA 999 - SYS A1c

**Zambian Centre for accountancy studies. Phase II.** Estimated total cost 5.200 m ECU. EDF 4.400 m ECU, local 0.500 m ECU, Centre itself 0.300 m ECU. T.A., supplies and Works Project on appraisal. 7th EDF.  
EDF ZA 6001/7001 A6a

## ZIMBABWE

**Human resources development programme.** Resp. Auth.: Ministry of National Scholarships. 3.4 mECU. T.A. and scholarships, awards, seminars. Project in execution. 6th EDF.  
EDF ZIM 6020 A6

**OMAY land use and health programme.** Resp. Auth.: A.D.A. 6.031 mECU. Raising the standard of living of Omay rural population. Conservation and improved utilisation of the Wild Life resource, support to agriculture and improvement of social infrastructure. Road network, water, sanitation, building of a district hospital, equipments and supplies. Project on appraisal. 7th EDF.  
EDF ZIM 6004/7002 A3a

**Structural Adjustment Programme.** Resp. Auth.: Ministry of Finance, Economic Planning and Development. 28 mECU.  
★ **General Import Programme and T.A.** *Date financing December 92.* 7th EDF.  
EDF ZIM 7200 A1c

## Overseas Countries and Territories (OCT)

### ANGUILLA

**Water Development Project.** Resp. Auth.: Ministry of Communications, Works and Public Utilities. Total cost 2.905 mECU. EDF 1.710 mECU, UK 0.968 mECU, local 0.227 mECU. EDF Pert: works by direct labour, supplies by int. tender. T.A. by U.K.  
★ *Date financing December 92.* 7th EDF  
EDF AG 7001 A2b

### ARUBA

**Airport extension.** Extension of airport facilities. Apron, taxiway, new arrival building, car park, access roads, platform buses, fencing, security, peripheral road, technical studies. Estimated cost 14.5 mECU. EDF 6.3 mECU, The Netherlands ± 8,2 mECU.

Works, supplies and T.A. (final design, tender dossier, supervision). Project on appraisal. 6th EDF.  
EDF ARU 6003 A2d

## ST. HELENA

**Sea defences.** Resp. Auth.: Public Works and Services Dept. 3 mECU. 2,5 mECU EDF, 0,500 mECU UK. To protect shore facilities at James and Rupert's Bay. Rehabilitation and reinforcement of existing sea walls. Project in execution. 5th and 6th EDF.  
EDF SH 5001 A8g

## Regional Projects

### BENIN — BURKINA — NIGER

**Regional project for the management of the 'W' national park and adjoining game reserves.** Estimated total cost 10 200 mECU. To establish three management units and 10 bridges and 20 observation posts with their equipment. Building and rehabilitation of administrative, technical and social buildings, tracks and bridges. T.A., training and studies. Project on appraisal 6th EDF.  
EDF REG 6122 A5i, A8f

### TANZANIA — BURUNDI — RWANDA — UGANDA — ZAIRE

**Tanzania Railways Corporation. Railway Restructuring Project.** Resp. Auth.: Ministry of Communication and Transport. T.R.C. 33 mECU. Flood prevention works, quarry development, procurement of track maintenance and accident relief equipment, fuel tank wagons and trolleys. T.A. for supervision of works, tender donier and training. T.A. short-list done. Project in execution. 7th EDF  
EDF REG 7003 A2d

### MEMBER COUNTRIES OF CILSS

**Regional programme for soil protection and reafforestation.** Resp. Auth.: Cape Verde Ministry of Rural Development and Fisheries. 4.250 mECU. Works, training, supply of equipments and T.A. Project in execution. 6th EDF.  
EDF REG 6145 A3e

**Information and training programme on the environment.** Resp. Auth.: CILSS Secretariat. 10 mECU. Supply of pedagogical equipment, T.A. and training. Project in execution. 6th EDF.  
EDF REG 6147 A8f

### EAST AFRICAN COUNTRIES

**Statistical training centre for Eastern Africa in Tanzania.** Resp. Auth.: Secretariat of the centre. 2.0. mECU. Widening of capacity. Construction of classrooms, offices and housing. Project stage: identification. 5th EDF.  
EDF REG 5311 A6b

**Institutional support to Eastern and Southern Africa Management Institute (ESAMI).** Resp. Auth.: ESAMI, Tanzania. Estimated cost 4.5 mECU. Extension of ESAMI installations plus provision of library, audio visual and printing equipment and improvement of kitchen and laundry facilities. Project on appraisal. 6th EDF.  
EDF REG 6311 A6b

### BURUNDI — RWANDA — TANZANIA — UGANDA — ZAIRE — KENYA

**Northern Corridor-Rwanda. Rehabilitation of the road Kigali-Butare-Burundi border.** Resp. Auth.: Ministère des Travaux Publics. Estimated cost 8 mECU. Project on appraisal. Date foreseen for financing 2nd half 92. 6th EDF.  
EDF REG 6310 (RW....) A2d

★ **Northern corridor alternative. Kericho-Isebania road Kenya.** Resp. Auth.: Ministry of Transport and Communications, Kenya. 24 mECU. Rehabilitation of bituminized road of 170 km in the Lake Victoria region. 6th EDF. *Project in execution.*  
EDF REG 6315 (KE) A2d

★ **Musoma — Sirari Road.** Resp. Auth.: Ministry of Works — Tanzania — Estimated cost 24 mECU. Upgrading to bitumen standard of existing road. Works, equipment and supervision. *Project in execution.* 6th EDF.  
EDF REG 6315 (TA 6005) A2d

### MEMBER COUNTRIES OF EIER-ETSHER

★ **EIER-ETSHER — Housing and accommodation for teachers.** 20 teacher's houses for EIER and 9 for ETSHER and 1 common for ETSHER. Works, by acc. tender. Studies and supervision. 2.8 mECU. *Project in execution.* 7th EDF.  
EDF REG 7103 A8a

### MALAWI — MOZAMBIQUE — ZAMBIA — ZIMBABWE

**Regional Tsetse and Trypanosomiasis Control Programme: extension of preparatory phase.** Resp. Auth.: Departments of Veterinary Services. 22.700 mECU. Research and development, training, environmental monitoring and assessments of the economic and land-use implications of tsetse control, T.A. and supply of vehicles, field, scientific and camping equipment. Project in execution. 6th and 7th EDF.  
EDF REG 5420 A3a

### MEMBER COUNTRIES OF ECOWAS

★ **Improvement of postharvest utilisation of artisanal fish catches.** Resp. Auth.: Sierra Leone National Authorizing Officer as Regional Auth. Off. Technical Secretariat in Abidjan. 8 mECU. Interventions in 16 countries. *Project in execution.* 7th EDF.  
EDF REG 6126 (001) A3a

### ANGOLA — MOZAMBIQUE

★ **Training on port and maritime fields.** Training by experts and consultants. T.A., training and equipments. 0.950 m ECU. *Date financing December 92.* 7th EDF  
EDF REG 7403 A6b

### SADCC

**International Baccalaureate Studies.** Resp. Auth.: SADCC Regional Training Council. 1.695 mECU. Supply of scholarship programme for selected secondary school graduates from Angola and Mozam-

bique to study for the International Baccalaureate Diploma in Swaziland. T.A. and evaluation. Project in execution. 7th EDF. EDF REG 6440 (7016) A6a

**Senior Managers' Training in Road Traffic and Transport.** Resp. Auth.: SATCC. 1.900 mECU. Supply of equipments, T.A. evaluation. Fellow ships. Project on appraisal. 7th EDF. EDF REG 6426 A6d

**Collaborative effort for a maize and wheat improvement network.** Resp. Auth.: SACCAR — CIMMYT. 3.837 m ECU. T.A., training, supply of equipment. Project on appraisal. 7th EDF. EDF REG 7402 A3a

## SADCC — MOZAMBIQUE

**Beira port dredging contract.** Resp. Auth.: Ministry of Construction and Water. Estimated cost 9 mECU. Dredging for two years of the access channel to the port of Beira. Works: 2 years, 4 million m<sup>3</sup>/year. Supervision and training. Project on appraisal. 6th EDF. EDF REG 6401 A2d

## BENIN — COTE D'IVOIRE — GHANA — GUINEA — GUINEA BISSAU — TOGO

**Regional programme to increase awareness in western coastal African countries of natural resources protection.** Resp. Auth.: Ministère de l'Environnement-Togo. Estimated cost 10 mECU. Priorities: fight against bush fires and deforestation and for soil protection. Project on appraisal. 6th EDF. EDF REG 6113 A3e

## OECS — TRINIDAD AND TOBAGO BARBADOS — GUYANA

**Regional fruit and vegetable marketing programme.** Resp. Auth.: Caribbean Food Corporation. 6.2 mECU. T.A. and supplies. Project on appraisal. 6th EDF. EDF REG 6620 A5de

## ACP COUNTRIES

**Fight programme against AIDS.** Funding of regional actions. 20 mECU. Support to regional structures, improvement of information, funding of research and training actions. Supplies, T.A. and training. Project in execution. 7th EDF. EDF REG 8000 A7

## ACP AND OCT COUNTRIES

**OCT's and ACP's participation in trade and services development actions.** 6.650 mECU for ACP's and 0.950 mECU for OCT's. Participation in fairs, seminars, trade missions, documentation. ★ T.A. and follow-up-evaluation. Project in execution. 7th EDF. EDF REG 70001/002 A5c, d, e

# MEDITERRANEAN COUNTRIES

## ALGERIA

**Financing of artisanal enterprises from 'Société Nationale de l'Electricité et du Gaz (SONELGAZ)'. Resp. Auth.: Ministère de l'Industrie et de l'Artisanat and SONELGAZ. 9.060 mECU. Supply of line of credit for artisanal enterprises, supply of pedagogical equipment, T.A. for bank-office in charge of credits. Project in execution. SEM AL A4d**

**Structural Adjustment Support Programme. Sectoral Import Programme for building materials to finish 100,000 social houses.** 70 mECU. hard currency allowance to cover CIF imports. Management by Crédit Populaire d'Algérie (C.P.A.). Special accounts in the Central Bank. Banque d'Algérie (B.A.). Purchase by a positive list (electrical equipment — spare parts). Project in execution. SEM AL 688-92 A1c

## EGYPT

**Ras Mohammed National Park Sector Development Project. Phase II.** Resp. Auth.: Egyptian Environmental Affairs Agency (EEAA). 2.5 mECU. Supply of equipment, transport, T.A. and training. Project in execution. SEM EGT 692/91 A8f

**Oil pollution combating emergency centre at the entrance of the Gulf of Aqaba.** 4.300 mECU. Project in execution. SEM EGT 771/91 A8f

**Channel Maintenance Project (CMP).** Resp. Auth.: Ministry of Public Works and Water Resources (MPWR). 40 mECU. Integrated weed control, irrigation, biological control, institutional support, training, T.A. for general management, procurement and contracting, planning, monitoring and supervision, works, supplies and training. Date financing December 92. SEM EGT 881/92 A3c

## JORDAN

**Ground water investigation in the Hammad and Sirhan basins.** Resp. Auth.: Ministry of Water and Irrigation, Water Authority. 4 mECU. Initial studies, drilling exploration, surveys and analysis. Project on appraisal. SEM JO 589/90 A2a, A9a

**Cooperation project in science and technology.** Resp. Auth.: Higher Council for Science and Technology (HCST). 3.5 mECU. Supply of specialized equipment, staff exchanges, T.A. training, evaluation. Project on appraisal. SEM JO A6f

**Structural adjustment programme support.** Hard currency allowance with negative list. 50 mECU. T.A. for following and evaluation. Project in execution. SEM JO 440/92 A1e

## LEBANON

**T.A. to prepare reconstruction works. 2nd phase.** Resp. Auth.: Conseil pour le Développement et la Reconstruction

(CDR). EEC contribution 3.4 mECU. War damages evaluation, preparation tender documents, T.A. to establish execution programme. Project in execution. SEM LEB 702.92 A8a

**T.A. to the Administration.** Resp. Auth.: Conseil pour le Développement et la Reconstruction. C.D.R. EEC contribution 30 m ECU. Establishment of consultant teams for CDR and various Ministries and Public Offices. Management Units and Implementation Units. Sectors: Water, electricity, sanitation, public works, finance, economic affairs. Studies. Project on appraisal. Date foreseen for financing January 93. SEM LEB 1044/92 A1,A2

**T.A. to prepare reconstruction works. 3rd phase.** Resp. Auth.: C.D.R. EEC Contribution 1.500 m ECU. Sectors: oil and gas, agriculture, industry and non financial services. Project on appraisal. Date foreseen for financing January 93. DEM LEB A8a

## MALTA

**Protection of Malta's coastline against oil pollution.** Resp. Auth.: Oil Pollution Executive 2.4 mECU. Supply of specialized equipment, training and T.A. Project in execution. SEM MAT A8f

**Strengthening educational and economic relations with the Community.** 1.7 mECU. Scholarships and traineeships, establishment of a Euro-Information Centre, integrated marketing programmes and tourism promotion. Differents T.A. and purchase of equipments. Project in execution. SEM MAT 91/431 A5c, d

## SYRIAN ARAB REPUBLIC

**Water Supply Bseira and Hama Rural Regions.** Resp. Auth.: Ministry of Local Administration. Governments of Deir Ez Zor and Hama. EEC contribution. 7.5 mECU. Drinking water supply. Supply of pipes and fittings and electrical-medical equipment. T.A. Project in execution. SEM SYR 662/91 A2b

## TUNISIA

**Date-palm trees in the Rejim-Maatoug region.** Resp. Auth.: Office de Mise en Valeur de Rejim-Maatoug. EEC contribution 15 mECU. Italy 7 mECU. Drilling works by int. tender. Drilling equipment— Italy. Electrical equipment: Italy. Irrigation equipment: int. tender. T.A. Italy Project in execution. SEM TUN A3a

**Mobilization of water resources in the Kasserine Governorate.** Resp. Auth.: Ministère du Plan et du Dév. Régional. Commissariat Régional de Développement Agricole de Kasserine. EEC Contribution 7 mECU. Water schemes, dams, drilling. Works by acc. tender. Project in execution. SEM TUN 254/91 A3c, A9b

**Support to the Structural Adjustment Programme. General Import Programme.** Hard currency allowance. T.A. for follow-up and evaluation; EEC contribution 40 mECU. Project in execution. SEM TUN 000/92 A1v



**Waters and soil conservation.** Resp. Auth.: Ministère de l'Agriculture — Direction de la Conservation des Eaux et des Sols, EEC contribution 45 mECU. Works by acc. tenders or direct labour. Supplies by int. tender. T.A.: ORSTOM (F) funded by France. Project in execution. SEM TUN 000/92 A3c

## TURKEY

**Improvement of health services.** EEC contribution 5.8 mECU. Master plan, specialised medical equipment, scanner, vehicles. T.A. and supplies. Project in execution. SEM TU A7ac

**Fight against environmental pollution.** Resp. Auth. Prime Minister's Office. Directorate General of the Environment. EEC contribution 2.8 mECU. Purchase of mobile system to measure water, air, surface and soil pollution. Supply of laboratory equipment, T.A. Project in execution. SEM TU A8f

**Vocational training programmes for tourism and mining.** EEC contribution 5.4 mECU. Seminars, staff, trainers, supply of equipment, studies. Project in execution. SEM TU A5c, A4a, A6d

**Programme to broaden relations between EEC and Turkey.** EEC contribution 3.6 mECU. Scholarships, supply of equipment for the University of Ankara and Marmara. Training centre and language laboratory in Marmara. Establishment of a Euro-Turkish 'Business Council'. Project in execution. SEM TU A6b

**Regional centre for training and development for the 'Union Internationale des villes (UIV)' for eastern Mediterranean countries and the Middle-East in Istanbul.** EEC contribution 1.4 mECU. T.A. and supply of equipment. Project in execution. SEM TU A1c

## WEST BANK AND GAZA OCCUPIED TERRITORIES

**Assistance to the Palestinian population in the Occupied Territories.** EEC contribution 10 mECU. Various projects, lines of credit, supply of equipment, T.A. and training. Project in execution. SEM OT 91 A8a, b, e

**Exceptional Aid for the benefit of the Palestinian population of the Occupied Territories.** 60 mECU. To counteract the negative consequences of the Gulf war. Grants to extend credit and to create revolving funds, supplies of equipment and other materials and contributions to operating costs, technical assistance and training. Project in execution. SEM OT 91 E A5e, A8a, b, c

## EURONEWS DEVELOPMENT GROUP

**Support to the arab service for the EURONEWS satellite channel.** Resp. Auth.: Euronews Dev. Group-Lyon. EEC Contribution 3 mECU. To improve knowledge and comprehension of Europe in the arab world, and in the immigration world in the EC member sates. Purchase of equipment by int. tender. Project in execution. SEM REG 441/92 A1e

## EURO-MAGHREB COMMUNICATIONS S.A.R.L. PARIS

**Euro-maghreb training programme in communications.** EEC contribution 1.400 mECU. Seminars, scholar-ships for young professionals from maghreb. Project on appraisal. Date foreseen for financing end 92. SEM REG 687-92 A5g

## SOUTHERN AND EASTERN MEDITERRANEAN COUNTRIES

**Support to I.P.P.F. (International Planned Parenthood Federation) to provide family planning services to reduce fertility.** Resp. Auth.: I.P.P.F. (UK). EEC contribution 10.500 mECU. **Project in execution.** SEM REG 680-92 A7c

## MED-URBS PROGRAMME

**Support programme to the cooperation between european local collectivities and mediterranean third countries ones.** EEC contribution 5 mECU. Transmediterranean cooperation network to solve actual problems about urban development: water management, transports, environment and waste-products, energy, urbanism, financial management, local fiscal system. Project in execution. SEM REG 480/92 A8a, b

## MED-CAMPUS

**Support programme to development cooperation actions among Universities and High Schools from Europe and Mediterranean Third countries Ones.** EEC contribution 6.500 mECU. Teacher's training and continuing training. 62 networks already selected. **Project in execution.** SEM REG 729-92 A6b, f

## MED — INVEST

**Support programme to the cooperation for S.M.E.'s development.** EEC contribution 10 m ECU. Date financing December 92. SEM REG A5e

# A.L.A. developing countries ASIA and LATIN AMERICA

## BANGLADESH

**Population and Health IV: Upazila Functional Improvement Pilot Project (UFIPP).** Resp. Auth.: Ministry of Health — Project Implementation Unit — P.I.U. and 4<sup>e</sup> Functional Improvement Teams — F.I.T. EEC contribution 18.75 mECU. Training, specialized T.A. supply of equipments, furnitures, vehicles, drugs and medical supplies, monitoring and evaluation. **Project in execution.** ALA BD 9112 A7b, c

**Population and Health IV: Contraceptiva Supply Project (C.S.P.).** Procurement of approximately 840 million condoms during the period from January 1993 to December 1996. Phase I approximately 30 million pieces at the rate of about 10 million pieces a month, followed by eighteen subsequent shipments up to 1994. The total quantity for phase 1 is 210 million pieces. Second phase (210 million pieces) in 1995-96. The project would continue to supply the Social Marketing Company 'S.M.C.' with the existing 'Panther' and 'Raja' type condoms. Given the magnitude, complexity and specialised nature of the procurement and supply operation and in order to minimise risks of-delays or other supply problems, the project will be implemented with the assistance of a specialised European Procurement Agency (P.A.). Condoms will be procured by the P.A. through restricted tenders after prequalification of EC condom manufacturers as well as from India, Indonesia, Malaysia, Sri Lanka, Thailand and Vietnam. EEC contribution 20 mECU. **Project in execution.** ALA BD 9113 A7c

**Cyclone Shelter-cum-Primary Schools Project.** Resp. Auth.: Ministry of Education. EEC contribution 10.716 mECU. Constructions and equipment, of about 150 cyclone shelters-cum-primary schools. Work, by acc. tenders. Supply of equipments and radio communication equipments. T.A. **Project in execution.** ALA BD 9116 A8g

**Import and Internal Resources Support Project.** Resp. Auth.: Bangladesh Bank. EEC contribution 16 mECU. The foreign exchange will be made available in ECU to and through the Central Bank to import by private importers vegetable oils, seeds and cement. T.A. for monitoring evaluation and audit. **Project in execution.** ALA BD 9117 A1c

**Cyclone Protection. Project II.** Resp. Auth.: Bangladesh Water Development Board. Estimated total cost 78 mECU. EEC contribution 3.2 mECU. The EC will finance the existing T.A. composed by Kampsax International — BCEOM and Danish Hydraulic Institute. The investments costs of the project will be financed by: Bangladesh (2.4 mECU), I.D.A. (19.6 mECU), Japan (17 mECU), Saudi Fund for Development (11.3 mECU). **Project in execution.** ALA BD 9118 A8g

## BHUTAN

**Support to the Ministry of Agriculture (MOA) on Human Resources Development. (HRD).** Resp. Auth.: Ministry of Agriculture. Human Resources Development Unit. Planning and Policy Division. EEC contribution 5.5 mECU. T.A. to define the training structure and to implement the necessary action, to coordinate and assist and for management and administration locally and abroad. Overseas training. Project on appraisal. ACA BHU 9105 A6c, i

**Integrated Pest Management Development.** Resp. Auth.: Ministry of Agriculture-Dept. of Agriculture (D.O.A.) EEC contribution 2.6 mECU. Works by acc. tender. Supplies by int. tender. T.A. short and long term. Project in execution. ALA BHU 9212 A3a

**Cultivation of Medicinal Plants for Traditional Medicine.** Resp. Auth.: Ministry of Agriculture (MOA) - Dept. of Agriculture (DOA) - EEC Contribution 3.5 mECU. Short-term and long-term T.A.: coordination, agronomist, economist, pharmacology, processing. Supply of equipment by int. tender. **Project in execution.** ALA BHU 9222 A3a

## BOLIVIA

**'Quinoa Projects' - Potosi.** Resp. Auth.: CORDEPO. EEC contribution 6.100 mECU. Actions to develop Andean crops. T.A., supply of equipment, works by direct labour, research, studies, lines of credit. Project in execution. ALA BO 9109 A3a

**Integrated development programme of the andean zone and of the upper Tarija valley (PRODIZAVAT).** EEC contribution 14.155 m ECU. Works, supplies and T.A. Date financing November 92. ALA BO 92/34 A3a

## BRAZIL

**Pilot programme for the conservation of Tropical Forests.** EEC contribution US\$ 15 million (equivalent to approx. MECU 11.9. Contribution to Rain Forest Trust Fund. Project on appraisal. ALA BR 92/4 A3c, A8f

## CHILI

**Integrated development programme of the northern regions.** EEC contribution 10 m ECU. Works, supplies and T.A. Date financing November 92. ALA CHI 92/33 A3a

## CHINA (P.R.)

**Intensification of crop production in Xinjiang Province.** Resp. Auth.: Steering Committee: Provincial Foreign Economic and Trade Bureau, Agricultural Bureau, Changji Prefecture, Xinjiang Planning Committee and The Financial Bureau. EEC contribution .6 mECU. Supply of equipments by int. tender and T.A. (short and long term). Overseas training. Project in execution. ALA CHN 9120 A3a

**Land reclamation in Ningxia Hui autonomous region.** Resp. Auth.: Coordinating Committee from Provincial Foreign Economic Relations and Trade Bureau, Agricultural Bureau, Water Resources Bureau and the Financial Bureau. EEC contribution 3.8 mECU. To reduce water infiltration in the fields, improve drainage, leach out the salt, improve the soils, water management and husbandry practises. T.A. and supply of equipment, training and evaluation. Project on appraisal. ALA CHN 9132 A3e

**Jiangxi Sandy Wasteland Development Project.** Resp. Auth.: Nanchang Municipal Science and Technology Commission (NMSTC). Institute of Desert Research (IDR). EEC contribution 4 mECU. Supply of equipments, irrigation system, overseas training and T.A. Project in execution. ALA CHN 9214 A3a

## COLOMBIA

**'Job creation' for urban youth.** Resp. Auth.: National Planning Dept. Consejeria de la Juventud, Mujer y Familia - Codirection with European expert. 6.3 mECU. T.A.: 3 European experts, supply of equipment, lines of credit and guarantee, operating costs and training. Project in execution. ALA CO 9115 A8e

**Silk production development.** Resp. Auth.: Secretaria de Integración Popular and Unidad de Gestión composed by an european co-director and a colombian co-director. EEC contribution 8 mECU. Specialised T.A., supply of equipment for silk plants, revolving funds. Project on appraisal. Date foreseen for financing 2nd half 92. ALA CO 9131 A3a

## ECUADOR

**Rural development in the Bolivar region. FOEDERUMA 2nd phase.** Resp. Auth.: FODERUMA - Fondo de Desarrollo Rural Marginal. Central Bank and co-directors (ecuadorian and european). EEC contribution 8.7 mECU. Supply of T.A. (director-expert in integrated rural development programmes, civil works engineer and administrative expert), equipments for road maintenance, medicals, transport, infrastructures, line of credit. Supplies by int. tender, works by acc. tender. ALA EQ 9126 A3a

## EL SALVADOR

**Support programme to the micro-enterprises in the marginal areas.** 7 mECU. Project in execution. ALA SAL 9129 A5e

**Programme for productive reinstatement of war's mutilated people.** EEC contribution 3 mECU. Supply of equipment. T.A., training, limes of credit. Project in execution. ALA SAL 9216 A8e

**Basic health and hygien programme in the paracentral region.** EEC contribution 10 mECU. Improvement of hygienic and sanitary conditions. Supply of equipment and T.A. Works by direct labour. Project in execution. ALA SAL 9217 A7e

**Urgent programme for productive reinstatement of demobilized people in agricultural activities.** EEC contribution 15 mECU. For about 3,000 families of demobilized people from army and from FMLN, in the Usulután department. Rural credits via Banco de Tierras, supply of equipment and expatriate T.A. Project in execution. ALA SAL 9218 A8h

**National programme for vocational training.** EEC Contribution 5.500 mECU. Supply of equipments, T.A., training and lines of credit. Project in execution. ALA SAL 9219 A6d

## GUATEMALA

**Rural development programme in the Huehuetenango department.** Resp. Auth.: Ministerio de Desarrollo Urbano y Rural (MINDES) and local and european co-directors. EEC contribution 12 mECU. Supply of T.A., infrastructures, equipments and vehicles. Works by acc. tender. Supplies by int. tender. Project on appraisal. ALA GUA 9121 A3a

**Support to the agricultural reform in the Pacific Region (Coatepeque).** Resp. Auth.: Ministerio de Desarrollo (MINDES). EEC contribution 9 mECU. supply of equipments, line of credit. T.A. **Project in execution.** ALA GUA 9228 A3a

## HONDURAS

**Credits and T.A. to the rural micro-enterprises (PROCATMER).** EEC contribution 9.6 mECU. Project in execution. ALA HO 91/24 A3a

## INDIA

**Kerala Minor Irrigation Project.** Resp. Auth.: Irrigation Dept. of Kerala State. EEC contribution 11.8 mECU. Improvement of irrigation systems. Tank and lift schemes. Supply of equipment and T.A. Training, environmental impact studies. Project in execution. ALA IN 9111 A3a

**Sidmukh and Nohar irrigation project.** Resp. Auth.: Kajasthan State Government. 45 mECU. Extensive irrigation network. Works in irrigation and associated agro-forestry and livestock activities. Work, by acc. tender. Supplies (equipments and vehicles) by int. tender. T.A. for project monitoring, agricultural development, animal husbandry and forestry and evaluation. The EC financing, except for expatriate expertise and contingencies, will be transferred as counterpart funds of commodity aid in a fast disbursement procedure (38 mECU). Project on appraisal. ALA IN 9135 A3a

## INDONESIA

**Irrigation and water supply programme in Bali North.** Resp. Auth.: Directorate General of Water Resources Development (DGWRD), of the Ministry of Public Works. EEC contribution 10.300 mECU. Drilling works and supply of equipments. Specialized T.A. and training. Works by acc. tender. Supplies by int. tender. Project on appraisal. ALA IND 9119 A3e

## MONGOLIA

**Strengthening of the Veterinarian Services.** Resp. Auth.: Ministry of Agriculture. Dept. of veterinarian medicine. EEC contribution 2.3 mECU. Purchase of equipments by int. tender. T.A. and training. Project in execution. ALA MNG 9209 A3a

## NICARAGUA

**Agricultural reform and integrated rural development in the Rio Blanco region.** Resp. Auth.: I.N.R.A. Instituto Nicaragüense de Reforma Agraria. EEC contribution 13.500 mECU. Transport and communication infrastructures, rehabilitation and creation of built-up areas, schools, health centres, administrative and technical infrastructures. Supply of equipments, vehicles, materials. Line of credit. T.A. Works by acc. tender, supplies by int. tender. Project on appraisal. ALA NI 9136 A3a

## PAKISTAN

**Rural roads in the Buner Area.** Resp. Auth.: Provisional Government's Construction and Work Dept. (C & W) and District Council. 5 mECU. Construction of new sections of rural roads, upgrading of existing roads. Works by acc. tender. Supervision by European Consultant. Project on appraisal. AIA PK 9106 A2d

**Rural Electrification in Punjab.** Resp. Auth.: WAPDA Project Management Unit. EEC contribution 21 mECU. Electrification of 540 villages. Equipments by int. tenders, T.A. and training. Project in execution. ALA PK 9211 A2ai

**Institute for Educational Development (IED).** EEC contribution 5.4 mECU. Training and university cooperation. Management by Aga Khan Foundation-Karachi and Aga Khan University. *Project in execution.* ALA PK 9208 A6a, b

## PANAMA

**Rehabilitation of Santo Tomás Hospital.** Resp. Auth.: Ministerio de Salud. EEC contribution 4 mECU. Works, supply of equipment and T.A. for maintenance, training and management. Project in execution. ALA PAN 9017 A7a

**Cooperation with the Social Emergency Fund (FES).** Resp. Auth.: Co-directors (national and european). EEC contribution 4.600 mECU. social infrastructure, micro-enterprises, line of credit, T.A. and technical support to NGO's. Project on appraisal. Date foreseen for financing end 92. ALA PAN 9229 A5, A8

## PANAMA — COSTA RICA — NICARAGUA — HONDURAS — EL SALVADOR — GUATEMALA

**Regional programme for the collection and treatment of the hospital waste.** Resp. Auth.: Ministry of Public Health in each country. EEC contribution 4.900 mECU. For the town-capitals hospitals in each country. Supply of equipments, incinerators, vehicles and tools. Training and european T.A. Supplies by int. tender. Project on appraisal. ALA REG 9133 A7a

**Regional support programme to the Phyto-Sanitary Health.** Resp. Auth.:

O.I.R.S.A.-Organismo Internacional Regional de Sanidad Agropecuarias in San Salvador. EEC contribution 6.4 mECU. Supply of equipments, vehicles, tools by int. tender. Works by direct labour or acc. tender. T.A. long and short term. Training. Project on appraisal. ALA REG 9137 A3a

## PARAGUAY

**Rural settlement. San Pedro and Caaguazu.** Resp. Auth.: Instituto de Bienestar Rural. 10.4 mECU. Settlement of 4 000 families. Basic infrastructure, equipment, training and T.A. Project in execution. ALA PAR 90/24 A3a

## PERU

**Micro-enterprises - Informal sector.** Resp. Auth.: Banco Central de Reserva del Perú (BRC). EEC contribution 13.200 mECU. To improve capacities of the micro-enterprises. Lines of credit, revolving funds, T.A. and training. Project in execution. ALA PE 9124 A8d, c

**Drinking water / Pueblos jovenes / Lima.** EEC contribution 7.8 mECU, France 2.350 mECU. Works by acc. tender. T.A. by France. Project in execution. ALA PE 92/7 A2b, A7

## PHILIPPINES

**Western Samar - Agricultural Resources Development Programme (WS-ARDI).** Resp. Auth.: Department of Agriculture (DA). Department of Environment and Natural Resources (DENR). Department of Public Works and Highway (DPWH). EEC contribution 15 mECU. Works, supply of equipments, agricultural inputs, vehicles long term T.A., training, evaluation. Project in execution. ALA PHI 9215 A3a

**Agricultural Support Services for Small Islands (ASSSI).** EEC contribution 20 mECU. To support local community oriented micro-project, in agriculture, fisheries, livestock, marketing, training, T.A. and line of credit. *Project in execution.* ALA PHI 9232 A3a

## SINGAPORE

**EC—Singapore Regional Institute of Environmental. Technology.** EEC contri-

bution 2.7 mECU. T.A. and Staff: Director, 1 Head of Division, part-time expatriate services. Project in execution. ALA SIN 9202 A8f

## COSTA RICA — EL SALVADOR — GUATEMALA — HONDURAS — NICARAGUA

**Establishment of a payment system. Reorientation to create a trust fund to promote export trade in Central America.** Resp. Auth.: Banco Centro Americano de Integración Económica (BCIE). EEC contribution estimated for non committed funds to 34.3 mECU. Lines of credit, training and T.A. to the Bank system. *★ Project in execution.* ALA REG 8912 A5d

## SRI LANKA

**National Irrigation Rehabilitation.** Resp. Auth.: Project Coordination Committee. Total estimated cost 41.5 mECU. EEC 3.34 mECU, World Bank 24.67 mECU, counterpart funds from EEC Food Aid 7.59 mECU, local 5.9 mECU. Works, supplies and T.A. Project in execution. ALA SRL 9107 A3a

## YEMEN

**Fourth Fisheries Development Project.** Resp. Auth.: Ministry of Fisheries. EEC contribution 13.900 mECU. Construction of access roads, facilities for fish handling, supply of equipments, engines and fishing gear. T.A. Project in execution. ALA ROY 9122 A3a

## ASEAN

**EC-ASEAN Radar Remote Sensing, ER S-1 Project.** Resp. Auth.: European Space Agency (ESA). EEC contribution 3.9 mECU. To improve radar data acquisition for receiving stations. Supply of equipment by int. tender. T.A. for training and management. Project on appraisal. ALA/ASN/REG 9128 A1g, A8f

**EG-ASEAN patents and trademarks programme.** Resp. Auth.: EPO — European Patent Office. EEC contribution 6.5 mECU. T.A. and training. *Project in execution.* ALA/ASN/REG 9223 A4g

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ation was far more suited to subsistence living. Indeed, they were not really tackled at all. But with the population expanding at the rate of 3.2% p.a., we realise just how fundamental they — and other issues — are today. ○ A.L.

○○○

**'The Development Dictionary, A Guide to Knowledge as Power'** edited by Wolfgang Sachs. Zed Books Ltd., London and New Jersey, 1992.

'The idea of Development stands today like a ruin in the intellectual landscape. Its shadow obscures our vision.'

This provocative statement on the front cover page gives advance warning that the contents of this book are likely to make for uncomfortable reading — particularly for those who work in development, or have a commitment to the development concept. This is not a dictionary, but a series of highly intellectual discourses by different authors on 19 separate but related subjects (arranged alphabetically) beginning, fortuitously, with 'development' itself and ending with 'technology'.

The authors are like-minded academics who all believe that the 'age of development' is coming to an end and who expressly set out 'to disable the development professional by tearing apart the conceptual foundations of his routines'. Given that this is the starting point and not the conclusion of the book, the question arises as to whether the development professional, or any other potential reader, should be prepared to break his routine to read it?

The book is challenging in a number of ways. In the first instance, its unremitting hostility to development flows over into a generalised gloom about the current state of the world. Although the principal villain of the piece appears to be US President Harry Truman, who articulated the concept of 'underdevelopment' in 1949, all who have sought to make something of development implicitly stand condemned. It seems that we have got it all horribly wrong.

There are chinks of light of course — one author, in discussing 'needs', believes that we are 'on the threshold of a still unnoticed transition from a political consciousness based on progress, growth and development ... to a new, yet unnamed consciousness defined by controls

which ensure a 'sustainable system' of needs satisfaction' (Ivan Illich, page 99). Another sees hope in 'cosmopolitan localism' as an alternative to 'universalism' (Wolfgang Sachs, page 112). But the overall diagnosis is far from favourable. We are told, for example, that 'the very notion of help has become enfeebled and robbed of public confidence in its saving power' (Marianne Gronemeyer, page 53). The term 'equality' has 'taken on certain toxic meanings' (C. Douglas Lummis, page 38) while, 'from the unburied corpse of development, every kind of pest has started to spread' (Gustavo Esteva, page 6).

A second challenge lies in the language which the authors use. This varies from one contribution to another but it is frequently difficult to understand. Thus, for example, under the sub-heading 'Conscientizing from Without?', Majid Rahnema (page 125) says that 'Praxis, or action and reflection, was advanced by the participatory movement as a means to precisely give those wider dimensions to

participation. As such, Freirian methods of dialogical action and conscientization are perceived by the movement as a crucial instrument of interaction, aimed not only at liberating the oppressed, but eventually also the intervenor, from his own conditioning as a "bourgeois" thinker'. Is the message so complex that the language must be tested to destruction in this way?

In the final analysis, this book makes a number of very valid points about where we have gone wrong. The trouble is that in seeking to demolish almost every aspect of 20th century human development (and endeavour), the authors really do not offer any convincing alternatives. And in choosing to wrap their ideas in what is often impenetrable academic language, they effectively ensure that their message will only be read by a select few on the intellectual circuit. ○ S.H.

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