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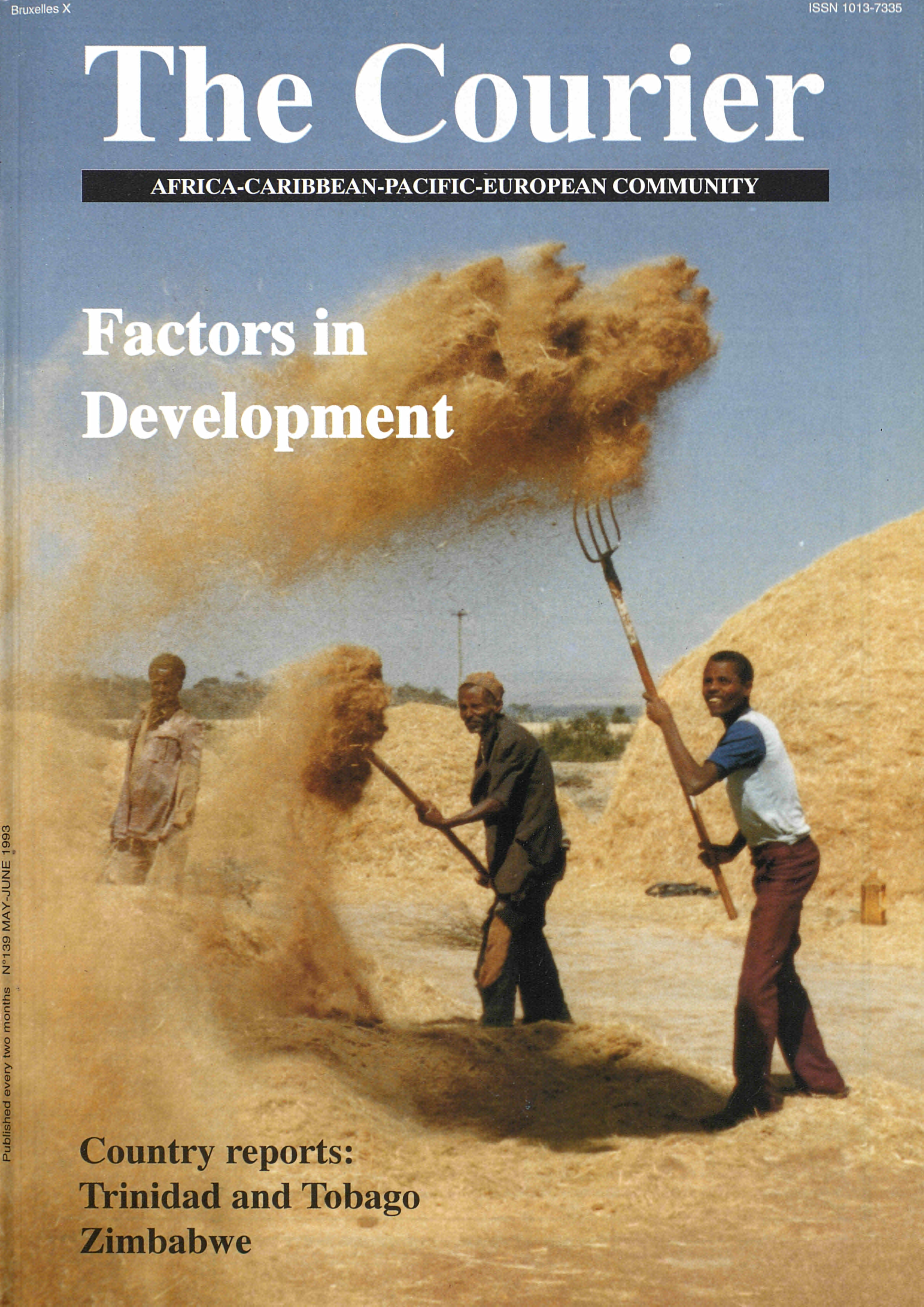
The Court

AFRICA-CARIBBEAN-PACIFIC-EUROPEAN COMMUNITY



Factors in Development

Country reports:
Trinidad and Tobago
Zimbabwe

Published every two months N°139 MAY-JUNE 1993

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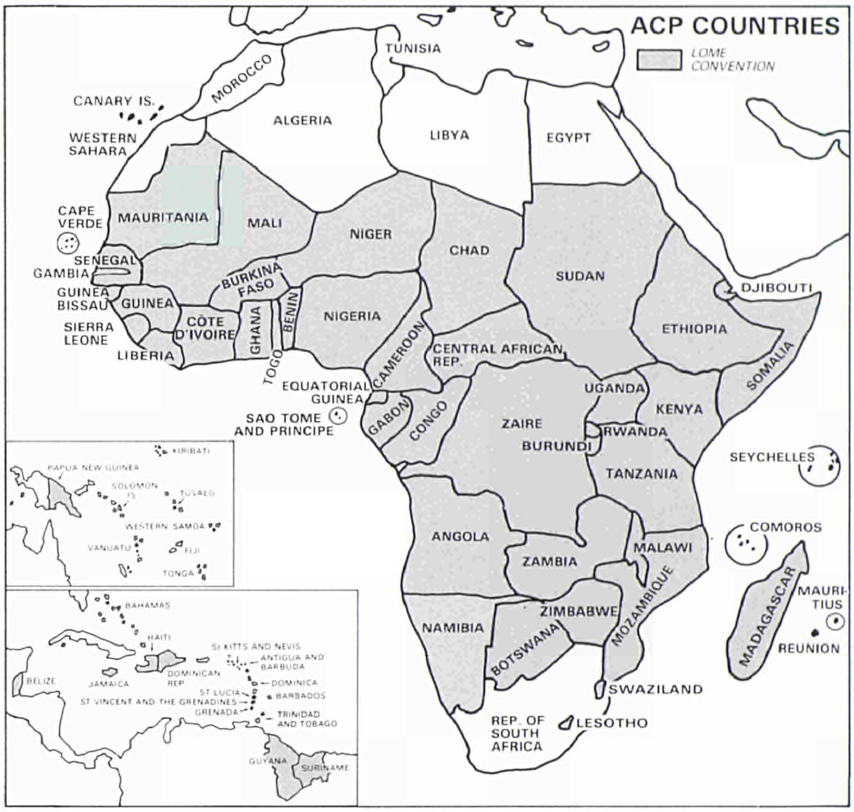

FRANCE

(Territorial collectivities)
Mayotte
St Pierre and Miquelon

(Overseas territories)
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French Polynesia
French Southern and Antarctic Territories
Wallis and Futuna Islands

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

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(Country having special relations with Denmark)
Greenland

UNITED KINGDOM

(Overseas countries and territories)
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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: *Threshing teff, Ethiopia's preferred staple food (Photo EDF)*

The Courier

AFRICA-CARIBBEAN-PACIFIC - EUROPEAN COMMUNITY

No 139 — MAY-JUNE 1993

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MEETING POINT: Mahbub ul Haq

When Dr Mahbub ul Haq, who is Special Adviser to the UNDP Administrator and principal author of the 'Human Development Reports', recently addressed the Development Committee of the European Parliament, he spoke of a number of challenges: how to ensure 'people participation' in decisions which affect their destiny? how to tackle the problem of 'jobless economic recovery'? how to create a new institutional framework with the capacity to tackle global economic and environmental issues? In this interview, we explore these issues further with him.
Pages 4 to 6.

ACP-EEC

Joint Assembly in Gaborone: History, they say, never repeats itself. Yet the whole debate on democracy, human rights and development sounded like a rerun of the last session: the rapporteur was congratulated on doing an excellent job, but delegates tried to swamp his resolution in a mass of amendments. After two days of discussion in plenary session, it looked as if the resolution was doomed but, in a dramatic turn of events when the time came to vote, it was carried — by an overwhelming majority.
Pages 7 to 10.

COUNTRY REPORTS

TRINIDAD AND TOBAGO: The economy of this twin-island republic in the Caribbean has, for many years been dominated by a single product – oil. Few dispute that this has brought windfalls but the islands' heavy reliance on an industry so notoriously prone to fluctuation has also given rise to problems. Today, Trinidad and Tobago is seeking to diversify both within the energy sector (exploiting its huge gas reserves) and in other areas. At the same time, it is undertaking economic liberalisation — which promises long-term rewards but perhaps also short-term pain. *The Courier* takes a closer look at what is happening. **Pages 15 to 35.**

ZIMBABWE: After severe drought last year threw Zimbabwe's economic expansion into reverse, imaginative government policies and international aid are bringing about a steady recovery. But a tough structural adjustment programme adopted since socialism was dropped as state policy is squeezing the productive sectors and causing hardship to ordinary people. The ruling party is having to pay the price, in terms of public criticism and unpopularity. Yet no viable alternatives have appeared. **Pages 36 to 56.**

DOSSIER: Factors in Development

The aim of this Dossier on the factors in development is to examine some of the key elements which have been identified and which are thought to have a decisive role in the various processes leading to economic and social development of non-industrialised countries; it is an attempt to analyse what has happened in countries (notably in Africa) which, with financial and technical back-up, have nonetheless failed to achieve economic take-off. **Pages 57 to 83.**

'Auf Wiedersehen', Dieter Frisch

The editor and his team at The Courier are both sorry to see Dieter Frisch go and pleased to have Peter Pooley replace him as publisher of the journal.

Dieter Frisch officially resigned from his duties as Director-General for Development on 1 April. Peter Pooley, who has taken over as acting Director-General, has agreed to be the new publisher of The Courier.

Dieter Frisch, who replaced Klaus Meyer as Director-General for Development on 20 January 1982, first appeared as publisher in the 72nd issue of our journal (March-April 1982). He had already spent 13 of his 24 years with the Commission in DG VIII.

He studied modern languages, economics and politics at the universities of Frankfurt am Main, Heidelberg and Bonn, obtaining degrees in economics and modern languages. He began his working life as a free-lance conference interpreter and came to the Commission in 1958, at the very start of the Community.

In 1960, he worked in the Directorate-General for Competition and, in 1964, moved to Development, where he was, successively, assistant to the Director-General, head of studies and development and head of basic planning, and coordination of Member States' policies. During this period, up to 1977, he was involved in a large number of international negotiations on North-South relations and went on frequent missions to the developing world, especially the ACP States.

In 1977, he became Director at the Directorate-General for Budgets, where he took charge of all the spending in the Community budget.

Since 1982, his good-natured authority, his social skills, his dynamic approach and his ability have made him a tactful tutor for The Courier, someone who has kept his distance and rarely wielded his power to influence its editorial line or even write in its columns. He is one of the chief artisans of the credibility which so many of our readers point to in our joint — yet institutional — publication.

In 1985, he wrote a tribute in The Courier to Alain Lacroix, the editor, who moved on after 13 years spent transforming what had been a modest contact bulletin for European Development Fund study-award-holders into a journal of development information, and welcomed Fernand Thurmes.

That same year, he witnessed the genesis of the ACP Group and wrote of its profound, authentic and historic unity.

In 1987, deputy editor Lucien Pagni, asked him: Is Lomé policy political? The Convention, Mr Frisch maintained, despite its considerable political aspects and effects, was clearly a non-political agreement and a major policy. *'The Convention*

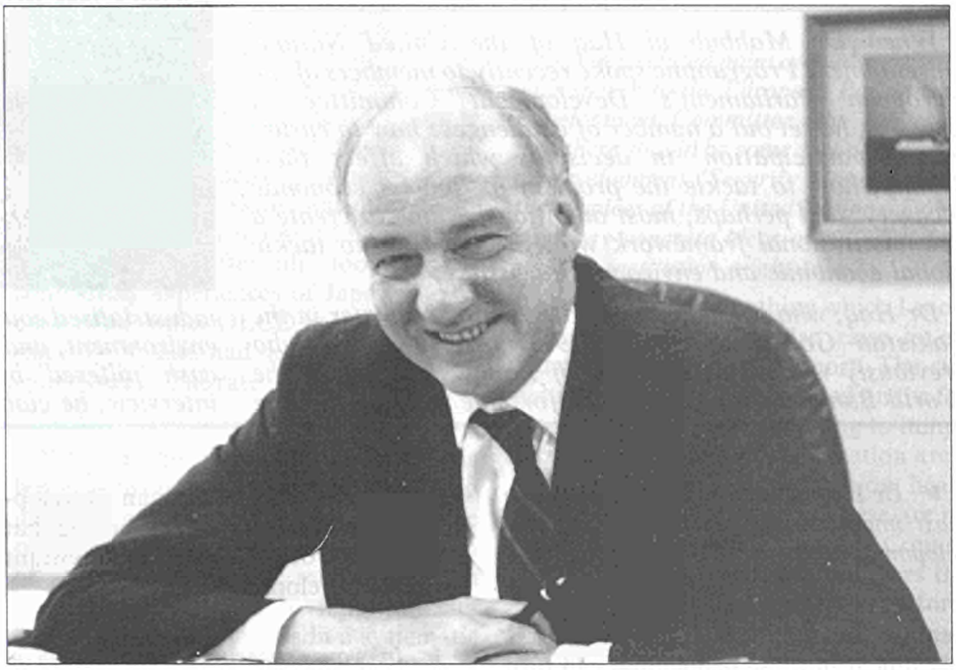
Welcome, Peter Pooley

is a human undertaking and there is room for improvement, but it still is, I think, a model and an example to others.'

In 1988, a dossier on structural adjustment was the opportunity to repeat what will always be his own personal message, that stabilisation plans have to be reconciled with the aims of growth and long-term development.

In 1991, he paid tribute to Marie-Hélène Birindelli, who left The Courier after four years as its editor. When the new editor was appointed, he said: 'I shall continue to do my job as publisher as remotely and discreetly as possible, leaving the way clear for our journalists to express themselves freely, without any feeling of being under pressure. In a world in which freedom of expression and democracy are making such marvellous progress, The Courier cannot be allowed to lag behind.' The Courier team heard what he said. Dieter Frisch kept his promises, practically and right to the very last minute.

In November that same year, he welcomed the entry into effect of the new Convention in an article entitled: 'Lomé IV under way'. In it, he made clear that the Community was attached to its partners in the South and that its relations with its neighbours in the East would not be to the detriment of its ACP friends. What he concluded then holds good today. 'Upheavals may cost more in the short term, but participation and freedom are the *sine qua non* of genuine, lasting development in the long term.' In another article which appeared in the dossier on Environment and Development, he made his own position clear in reiterating the saying: 'We have not inherited the earth from our parents, we are borrowing it from our children.'



Dieter Frisch is not just a dry technocrat. He is, for example, extremely interested in African art. When the Kings of Africa exhibition was on in Maastricht in 1992, he told us: 'There are times when I should like to see more of the creativity displayed in these works of art reflected in economic and social matters too.'

From 1 April, as Dieter Frisch's successor has not yet been appointed, Peter Pooley, who is the acting Director-General, has agreed to take on the role of publisher of The Courier. Mr Pooley will be known to those of our readers who saw the recent interview with him when he was director ad interim of ECHO, the European humanitarian aid office. We welcome his sense of public service, his independent thinking and his legendary humour.

Peter Pooley joined the British civil service when he graduated from Cambridge in 1959. He became Deputy Director-General at the Directorate-General for Agriculture in 1983 and moved to the Directorate-General for Development in 1989. We are sorry that The Courier does not have columns on two of his great interests — gardening and cricket, of which he is still a keen player. ○ Dominique DAVID
Editor

DR MAHBUB UL HAQ

Special Adviser to the UNDP Administrator

'People are the most precious resource of any nation'

When Dr Mahbub ul Haq of the United Nations Development Programme spoke recently to members of the European Parliament's Development Committee in Brussels, he set out a number of challenges: how to ensure 'people-participation' in decisions which affect their destiny, how to tackle the problem of 'jobless economic recovery' and perhaps, most ambitiously, how to create a new institutional framework with the capacity to tackle global economic and environmental issues.

Dr Haq, who was Finance and Planning Minister in the Pakistan Government from 1982 to 1988, and who previously worked as Director of Policy Planning at the World Bank, also had an uncomfortable message for the industrialised countries regarding their impact on the world environment, and the role of their banks as custodians of cash 'pilfered' by corrupt Third World leaders. In this interview, he elaborates on these and other issues.

▶ *Dr Haq, what would you say are the most important factors in achieving development?*

— In my judgment, the most precious wealth of any nation is its people and it is investment in those people that can turn around the economic destiny of nations. Of course you need natural resources, and some countries, like the oil economies and those with minerals, have done well on that basis. But even among these countries, with their high incomes, you can see that most of them have not been able to institutionalise growth. It is often more like a windfall than a permanent income. That is why I would put investment in people, in human capital, as the most precious resource of any nation.

I think that the most successful human-based development models have come from Japan and East Asia. These were the first examples and now we see President Clinton trying very hard to initiate something similar in the United States by investing in people or, as he calls it, 'putting people first'. This will be done by retraining workers, investing in technology, and providing scholarships for education. His programme is very much aimed at duplicating the Japanese and East Asian successes. This issue of investment in people is, as you know, the central theme of our Human Development Reports and it is not surprising that I single that out as the most important factor of development.

▶ *In your speech to the European Parliament, you spoke of a 'restless urge on the part of the people to participate in the events that shape their lives'. What, specifically, do you think can be done to satisfy that urge?*

— I think that the possibilities are manifold. First, in order to satisfy the urge of the people to participate in the events and processes that shape their lives, one will have to change the concept of development. In other words, there needs to be more human development and not just simply economic growth.

Secondly, one has to decentralise government and bring it closer to the people. People are no longer prepared to bow to the dictates of a far-off centre. Nowadays, one is seeing increasing ethnic disruption and political violence and, at the end of it, what people are saying is that they want political and economic power to be shared with them. So effective decentralisation of power, I believe, becomes very, very necessary. Unfortunately, from our analysis in many developing countries, only some 10% of the expenditure at the moment is decentralised, compared to 40% in the industrial countries, so there is obviously a long way to go.

Thirdly, I think it means giving a much greater role to non-governmental organisations which represent community efforts in many cases and which can mobilise the voluntary help and enthusiasm of the people.

But beyond all this, if you genuinely want to accommodate the restless urge of the people to participate, the real answer must be both political and economic democracy. Political democracy revolves around institutions of civil society, the rule of law, accountability, transparency and fair government. It requires a situation where people feel that they can influence events. This is the kind of democracy which is based not just on the counting of votes, but on real participation by people. You see even in industrial societies today that people feel they are unable to influence the processes that affect them. This has led initially to disenchantment, with voters not turning out. Now, at least here in the United States, where we have seen the Ross Perot phenomenon, people have suddenly been galvanised. The political parties had to respond to this during the election by going more directly to the people in talk shows and town meetings. President Clinton is trying to see whether he can involve people who feel they have been marginalised from government. So it is not just a simple matter of arranging multi-party systems. It is a matter of really involving people in all the institutions of civil society. That is something that will be a major theme in our next Human Development Report which is coming out in May.

On the subject of economic democracy, people, of course, want to participate in economic growth, in jobs and in the markets and what we find is that many markets are not people-friendly. They need to be reformed by creating conditions which equalise opportunities for individuals. The latter need education and access to credit to be able to enter the market on a playing field that is even.

We also find that many people are not participating in economic growth because jobs are not being created. This is a common phenomemon in Europe, as you know, and it is something that we will be looking at in the next Report. In Germany and France in particular, there has been a tremendous increase in output since the mid-1970s — I think it has more than doubled during the period 1975-1990 — and yet there is a fall in employment levels. Of course, on the positive side, that means that human productivity is going up and that is to be applauded. But on the other hand, it is an unfortunate fact that not enough people are sharing these productivity gains. The people who are left out don't want to live off unemployment and social security benefits. They become completely disenchanted. This dilemma of how to address the issue of jobless growth is one that the West will have to get to grips with and resolve.

'The debate is going back to the issue of jobs'

▶ *Can I go a little further with you on this point. Given the cost of labour and the importance of competition in the liberal economic philosophy which currently predominates, do you really think it is realistic to expect policy changes that will give priority to job creation?*

— Yes, I think so. There was a period in the 1930s, after the Great Depression and the Keynesian revolution, when jobs and full employment moved to the top of the policy agenda, particularly in the industrial world. That, after all, was what was at the heart of President Roosevelt's 'New Deal'. And then we saw a period after the Second World War when there was almost full employment. Somehow, attention moved away to focus on growth, new technologies and markets but I think that now, the debate that is going on in Europe — particularly in Britain, Germany and France — is moving back to the issue of jobs. Certainly, if one looks at the debate in the United States, one sees that they are worried about jobless economic recovery. They see that recovery is coming but jobs are not being created in sufficient numbers and that is why President Clinton is talking about a 'stimulus package' — investments in people, which cover worker training, skills and the technologies of tomorrow. And I think it can be successful. After all, look at the contrasting experiences of Japan and of most of the other OECD nations. Japan, since 1975, has had less than 2% unemployment. The rate in Europe has been 7-10%.

Why has this happened? The reason is because Japan has been very careful to invest in people and training. They have prepared workers for the next generation of industries, carefully retraining them for structural change so that they can move into new industries in a systematic fashion. The situation has been very different in the USA and Europe, where there has often been tremendous resistance to change, because people in older industries are fearful of losing their jobs.

▶ *You spoke about the nation state being 'too big for the small things and too small for the big things'. You have already covered the former in talking about the need for decentralisation, but what about the latter? Could you elaborate on that?*

— Let me say why I think the nation state is too small for the big things. Look at interest rates. They are not set by nations any more. Every day, more than one trillion dollars crosses international frontiers at the push of computer buttons. No government can set its interest rates independent of global trends, because capital is moveable. Look at wage rates. Even in the developing countries, they now have to set minimum wages, working conditions and so. As such, growth policies in many developing countries are having to become capital-intensive at a time when there is plenty of labour. So they do get affected a lot by global trends. And look at issues like environmental pollution. No nation can handle this problem single-handedly; it needs all countries to cooperate. Look at issues such as drugs, or migration, or terrorism. Many of the problems are so globalised that unless there is effective cooperation between nation states, it will no longer be possible to handle them. In short, the problems of increased poverty and reduced prosperity are global ones; they travel across international frontiers without a passport.

▶ *On a related point, you also raised in your speech to the European Parliament's Development Committee, the suggestion that there should be some sort of economic or development 'Security Council' under the auspices of the United Nations. Do you have any concrete ideas about what form such an institution might take?*

— Yes, this is something which I spoke about and which we also raise in our Human Development Report. The suggestion we are making is based on the fact that most of the issues relating to human security in the new world situation are in areas like employment, education, health care and the environment. These are not issues for the political Security Council. They are emergencies, but not ones that need to be handled by soldiers in uniform. They need socio-economic professionals. So who is to handle them? Of course, nation states themselves, but what about the global level? Within the United Nations system at the moment, it is the responsibility of the Economic and Social Council (ECOSOC). But it has 54 members and is too unwieldy. Now there are a variety of ways in which an Economic or Development Security Council can be set up. One way, without disrupting the Charter or requiring it to be changed, would be to take the existing ECOSOC and set up a small bureau; an executive board of 15 to 20 members with good representation from both developing and developed countries, and from transition economies, but without the possibility of veto. Because you can't veto human needs. You may be able to use the veto in certain issues relating to the balance of power but to think of vetoing critical needs such as environmental safeguards, or the provision of food security for people, is not on.

▶ *Would you envisage such a committee having a simple majority system for taking decisions?*

— What we are suggesting for the Development Security Council is that there should be some checks and balances. Developed countries are not going to agree to UN decision-making unless they are certain that there are safeguards which allow their interests to be protected. Otherwise, developing countries may all get together and decide tomorrow on a cancellation of debts, for example. But that is something that can be built in, without necessarily having an individual veto. You can always have a system whereby any decision, in order to be ratified, may require a simple majority of both developing countries and industrial countries as separate groups, so that no issue will go through without at least a consensus being reached. There are many ways in which it can be done without giving an individual veto to nations.

▸ *You have suggested that, if it is possible to have systems for taxing the rich within countries, there is no reason why it should not be possible to do the same at the global level. Could you expand a little on the thinking behind this?*

— I did suggest having a global system of taxation, the idea being that, since poverty and prosperity have become globalised, the solution must be found at that level. My feeling is that the first form of global taxation is going to come in the environmental field. The environment, or to put it more bluntly, the search for survival, is something which unifies us all. It is possible today — and we have been suggesting it — to place an energy tax right at the source. We have suggested a figure of at least one dollar per barrel of oil, which in itself would raise extra resources of about 50 billion dollars. One dollar a barrel may not be very decisive in curtailing consumption but it could be raised over time in order to ensure both energy conservation and a large source of revenue which would enable the developing countries to accelerate their growth, in an environmentally safe way, of course.

Another idea is to have tradeable permits. Today, nations are polluting environments without having to pay the price. The principle that the polluter should pay has already been accepted within nations. The next step is to accept the principle that, within the global community, the polluting nations should pay. With what right do the rich nations emit 80% of the world's pollution when they only have 20% of the population? And if they have to start paying for it, there will be an automatic transfer of resources to the poorer countries which have not yet reached that stage, who, in turn, will be able to adopt the necessary safeguards to avoid the adoption of polluting technologies. The idea of tradeable permits, which would be allocated on the basis of population and GNP, and which nations would be able to buy and sell, basically involves applying the market to the environment. A country which wanted to increase its emissions would have to buy extra permits and there would be a market — a kind of international stock exchange which would set the price. So there needs to be some penalty for pollution and some reward for good behaviour, otherwise all the talk about protecting the environment will not get anywhere.

'How can you make profits from money deposited by corrupt rulers and then lecture the developing countries about corruption?'

▸ *There is obviously a lot of imaginative thinking going on in the UNDP at the moment. Could I ask if that thinking extends to another issue which you raised in Brussels, namely the deposit of funds by corrupt officials or politicians from developing countries. You rightly pointed out that billions of dollars are deposited in western banks. Do you think that there is anything practical that can be done to restore the money to the people that deserve it?*

— Yes, I think so. I think if we are serious about the human rights of developing countries, and if this isn't just rhetoric, then one way to protect those human rights is to make it impossible for corrupt rulers to deposit the money in western banks and to return the money which has already been deposited — which runs to billions of dollars — to the countries in question. That would be a unique transfer of resources which could then go into human development. It could perhaps be done through NGOs so that one doesn't have it being hijacked again by corrupt governments. But there are many ways one can do it. Certainly, there should be more transparency as regards the deposits which the ruling cliques of developing countries make in western banks. Surely, when they deposit more than a certain amount — a few thousand dollars — it is clear that this is not their own salaries and, by extension, these are not private accounts. This is the money of the poor people that is being pilfered. Surely, when some of these rulers are depositing millions, if not billions, of dollars, nobody in their right minds in the western banks can believe that these are their own personal funds. So why can't there be a requirement for such accounts to be divulged? It is as simple as that. Surely, when you are interested in the western world that the drug money should not be laundered, and are prepared to have checks and balances to prevent this, there ought to be a similar concern about capital flight from developing countries? How can you make profits from money deposited by corrupt rulers and then lecture the developing countries about corruption?

I should say, incidentally, that a body called 'Transparency International' is being set up. This appears to be in response to our proposal in the last Human Development Report for an NGO which we suggested might be called 'Honesty International' and which would operate along similar lines to the existing 'Amnesty International'. We gather that some groups have got together and I hope that this initiative may be successful in shaking up governments by revealing more and more information about the movements of the money from corrupt rulers to western banks.

▸ *How hopeful are you for the future of human development, given the widely-held view that selfishness is gaining ground and the poor and needy have become marginalised?*

— I remain very optimistic about the human spirit. I think that ultimately, the human spirit has triumphed in every era and in every age. It seems a long time ago now, but there used to be a lot of pessimism that we might end up committing suicide through nuclear warfare. I have always believed, however, that humanity, when confronted with a challenge, has enough ingenuity to surmount it. And that is why I think it our duty as professionals, as idealists and as thinkers, to keep identifying the opportunities of the future, to keep raising human sights and to keep focusing on the positive. My own feeling is that pessimism is a luxury that we simply cannot afford. And that is why I continue to be very optimistic about the future of humanity. ○

Interview by Simon HORNER

Joint Assembly in Gaborone

Pons-Grau report — success the second time around

History never repeats itself, they say. But absolutely everything about the debate on the Pons-Grau report on democracy, human rights and development, from the plenary sessions to the hail of amendments and the negotiations behind the scenes, looked like a remake of the October session in Luxembourg. Just as in the capital of the Grand Duchy, the report was showered with compliments, each one warmer than the last, but the universal acclaim did not extend to the resolution that went with it. The members congratulated the rapporteur on the quality of the work, but they tabled a good 100 amendments to the resolution, fitting proof that all was not as well as the compliments suggested.

Mr Laroni was roused by this game of cat and mouse and, in the end, warned the Assembly not to repeat its October performance. For the first time ever, the general report had not been adopted on that occasion, because the author, Enrique Pons-Grau, a Spanish socialist, said he could no longer claim authorship of something so heavily amended and this had led to the further quest for consensus in Gaborone in Botswana — a quest which got off to a bad start, to put it mildly.

After 40 speeches, almost all of which exceeded the five-minute allocation, and two days of plenary discussion (split up with a debate on the implementation of Lomé IV in Southern Africa and question time, which triggered negotiations behind the scenes), Pons-Grau seemed to be about to throw in the sponge. 'If the time isn't ripe for a proper report, well there just won't be one... Nothing will ever be the same again... The important thing is that a process has been started and other people can pick it up later on,' he said, ending with a quotation from a Spanish poet: 'To melancholy unavailing effort lights the way'.

At that moment, the feeling that the unimaginable might happen ran through Gaborone's Boipuso Hall. Would the report be completely withdrawn, even though this might not be legally possible? It was possible to vote against it and throw it out and it was possible to vote for it and have it passed, but was it possible just to withdraw it after months of hard work so that the Assembly did not vote on it at all?

Was the day saved by an ultimate attempt at sentimental pressure? Or was it a brief moment of discouragement brought about by the weariness of an incessant search for compromise? Or both? At all events, the next day, in contrast to what these disillusioned words might have suggested, the resolution was passed, problem-free, by an overwhelming majority — to the great relief of Mrs Cassanmagnago-Cerretti, Co-President of the Joint Assembly, who fell into the arms of the rapporteur-general, shouting: 'Pons, it's all over.'

The Courier

From left to right, Commissioner Marín; the mayor of Gaborone, P. Rantao; Mrs Cassanmagnago Cerretti; the President of Botswana, D.K. Masire and Dr Erskine Simmons, at the opening session of the Joint Assembly

After hours of debate in the chamber and at least as many hours of discussion behind the scenes, the relief and delight were genuine. Here, for the first time, was a resolution which dealt frankly with all those subjects which had been taboo hitherto, from the violation of human rights to excessive military spending in the ACP countries, through corrupt ACP leaders and the huge amounts of public money they diverted to secret bank accounts abroad.

The rapporteur-general was right to say that nothing would ever be the same again. But he only got there by dint of clarifying a number of his positions, appeasing many people and refuting accusations, including the stubborn rumour that he was trying to sabotage the Convention while purporting to adapt it to the new context of international relations. Pons-Grau was doing this, the story went, for Manuel Marin, also a Spaniard and fellow socialist, who had made no secret of wanting to reform Lomé, having clearly stated the fact in his document on Community development policy in the year 2000. Mauritian Ambassador Raymond Chasle and others did their best to quash the rumour by saying that they could see nothing but good in the fact that the rapporteur was Spanish, because Spain's recent past had generated greater awareness of human rights. Other members who sprung to Manuel Marin's defence included Henri Saby, Chairman of the European Parliament's Committee on Development, who unequivocally stated that 'without the Commissioner who is now being accused of trying to torpedo the Convention, there would no longer be a Convention, because no-one in the North is interested in cooperating with the South, for they have all joined in the rush to the East'.

The accusation was sufficiently serious for Manuel Marin to refute it in person, which he did in an official address to the Assembly, delivered standing on the platform instead of sitting in his usual place on the Commission bench. He was adamant. His aim was not to destroy the Convention, but to save it and to do so by setting up the vital debate on its future, not just in Europe, but in the ACP countries too. 'The world has changed for us all,' he said, and, with human rights being flouted, the Community could not go on with the 'aseptic positions' it had taken up before, because it had a moral responsibility to the ACP peoples, which, as he had found in the 40 or so countries he had visited, all aspired to greater democracy, greater involvement and greater transparency.

This was why he was particularly pleased to have been able to help organise 18 elections so far with the new budget heading for democracy and human rights and proud to have set up in Brussels, a month earlier, a seminar for ACP journalists, as the media have a crucial contribution to make to the development of democracy. 'Is that sabotaging the Convention?' he wanted to know. 'You cannot respond to ideas with calumny and insult. I have set out my ideas and no-one will be able to say that they do not know what they are.'

Right to humanitarian intervention

Apart from the debate on the future of Lomé (heralding clashes in the negotiations on the second financial protocol), ACP opposition to the Pons-Grau resolution featured three main points — conditionality as regards human rights and democracy, the right to humanitarian intervention and, lastly, parliamentary representation on the Joint Assembly. The opposition strategy amounted to cutting anything that might have binding force out of the paragraphs relating to these issues or to making them as general as possible so that they covered the developed countries too, or to setting time-consuming prior conditions on any projected action.

For example, on human rights, the original version of paragraph 18 was that 'a country which has ratified an international convention cannot legitimately invoke excuses not to implement it immediately, *and that failure to respect any such convention should be taken into account as regards ACP-EEC cooperation'*. But the ACP amendment pulled the teeth of the final version by cutting out the all-important passage initalics.

Another example was the new, convoluted version of paragraph 64 on intervention for humanitarian purposes, which cited the UN Charter principle of 'non-interference' in the internal affairs of a country, but kept the possibility of

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General rapporteur Pons-Grau

humanitarian assistance open and called on the 'appropriate institutions (to) adopt a clear definition of this concept.' This formula may fall short of a clear endorsement of the right to humanitarian intervention, but it leaves the door open for optimists.

A small amount of progress was also made on parliamentary representation for the ACP States in the Joint Assembly. Mr Pons-Grau, backed by all his European colleagues, wanted this multi-continental institution, the only one of its kind, to become a genuinely parliamentary body, consisting of members of parliament. This would mean amending Article 32 of Lomé IV, which said that: 'The Joint Assembly shall be composed of equal numbers of, on the one hand, members of the European Parliament and of, on the other, members of parliament or, failing this, of representatives designated by the ACP States.' The proposed revision (paragraph 70) stressed the need for 'the amendments to be made to the existing Convention to include the principle of parliamentary representation for the ACP States within the ACP-EEC Assembly'.

Almost everyone seemed to agree. Gone was the time when the ambassador of a major West African country could say that he stopped his albeit elected senators from taking part in the work of the Assembly because they did not have enough experience and would be manipulated by the more hardened European members.

Yet the ACPs had both political reasons (one Ambassador said that, with a majority of only one, his government could not afford to let any members of parliament go) and financial ones (in these lean times, many distant countries were unwilling to send MPs to meetings in Europe or indeed to ACP countries outside their area) for not wanting to give up the possibility of being represented by people who were not members of parliament. So, in the end, the resolution simply stressed the need to strengthen 'the principle of parliamentary representation for the ACP States' on the Joint Assembly — which of course was a step in the right direction.

Despite these restrictions, the Pons-Grau resolution on democracy, human rights and development will go down in the annals of the Joint Assembly as one of the most important texts which the institution has ever adopted, for it goes into minute details of all those questions which are at the very heart of development, but which the partners in the Convention have always avoided discussing in public.

The Courier

The principal guest speakers at the hearing on South Africa. From left to right, Mr Makoni, Mr Manuel and Mr Godsell

Three suffering peoples

Threats to democracy and human rights violations in many ACP countries, particularly Togo, Rwanda, Zaire, Liberia and Haiti, were in the spotlight when the Pons-Grau report was being discussed. But the Joint Assembly decided to hold a special debate on Somalia, Angola and Sudan, three countries where the situation was deemed to be particularly serious — although distinguishing between degrees of horror is difficult.

Mr Vecchi pointed to a whole series of reasons for the tragedy of Somalia, including the aftermath of dictatorship and the activities of the warlords, and called on the international community to make a political effort to re-establish public order and lay the foundations for national reconstruction. Ethiopia, Somalia's neighbour, also recommended invoking the right to democratic intervention and its representative suggested setting up an early warning system to stop it all happening again.

Mr Lopo do Nascimento, head of an Angolan delegation which included UNITA MPs, said that the Angola crisis had started when a political force declined to accept the result of the elections. He went on to a sorry description of his country's misfortunes. It had been at war for 30 years. It had deaths (there were 100 000 orphans), it had destruction and it had famine. There was no military way out of the conflict, of that he was convinced, while he condemned the massive aid which South African groups had channelled into UNITA and pointed to the danger of a partition of Angola.

Mr Würtz, who went out to Angola on a parliamentary fact-finding mission in late March, also rejected any idea of partition. The responsibility for the events lay on UNITA's shoulders, he maintained, and on the shoulders of South Africa and Zaire. He was sorry that the USA had remained silent on the issue and pointed out that UNITA leader Jonas Savimbi had been made to see reason when powerful economic interests had been at stake, as in the case of Cabinda.

The longest and most impassioned discussions were about Sudan, whose situation, in the words of Mr Verhagen, was nothing short of apocalyptic. People were being massacred, there were summary executions, Christians were being deported, the Government let epidemics run riot for the sake of ethnic cleansing and permission to distribute food aid in the South had been refused. Henri Saby, Chairman of the European Parliament's Committee on Development, was so revolted by what was happening in Sudan that he called for it to be excluded from the Convention without further ado, threatening to stop attending the Joint Assembly if nothing had changed by the next meeting and Sudan was still a party to Lomé.

The Commission saw no point in excluding Sudan, as Peter Pooley made clear. He wanted the dialogue to be maintained and he regretted that no explanation had been forthcoming over the employees of the Commission Delegation in Khartoum who had been among the execution victims.

Raymond Chasle explained why the ACP countries were uneasy, confirming that the Group was not ready to grant unconditional solidarity to a regime which went in for such flagrant violation of human rights. As he saw it, if a State was excluded from the Convention, it had to be done according to the rules and, in the case in point, a decision to exclude could be prejudicial to the aim of improving the lot of the population. This was why he suggested that the Assembly accept the Sudanese delegate's invitation to send a further fact-finding mission out to the country.

Co-President Erskine Simmons was upset by the failure of the previous mission, which had been prevented from doing its work properly, but said he was willing to go to Sudan as quickly as possible and would report back to the next meeting of the Joint Assembly. How will it all end? It should be clear in Brussels in September.○ A.T.

It had no hesitation in, for example, condemning the 'acquisition of wealth by fraudulent means by government leaders (...) or their accomplices' and requesting 'the courts of host countries to freeze bank accounts in any country and return the money deposited to the democratic authorities in the countries of origin', or of deploring the fact that 'certain ACP countries devote up to 20% of GDP to military expenditure' and objecting to the Member States of the Community being involved in the 'production and sale' of armaments.

Lastly, it stressed that all countries had to respect human rights and promote and defend democracy, condemning 'unconditionally all ideologies entailing exclusion: both those of a racist and xenophobic character, as implicit in certain fascist attitudes in Europe, and those arising in ACP countries on the basis of ethnic, tribal, cultural or religious differences.'

Southern Africa — wavering between hope and danger

The Gaborone meeting will of course always be associated with the Pons-Grau resolution, and rightly so, but it will also be remembered for a hearing on the situation in Southern Africa, and an enthralling one too, although things seemed to be going badly there as well, for a missed opportunity to meet with the two main protagonists in the South African crisis was difficult to swallow. Mr de Klerk and Mr Mandela had been invited to the hearing and both had accepted, but the Assembly withdrew its invitation under pressure from certain ACP countries which were not yet willing to talk to the Head of the Pretoria Government.

It was a diplomatic hitch which dented the Assembly's credibility and could have compromised the success of the hearing, the whole point of which was that it was taking place in Southern Africa itself, with those on whom accomplishment of the ongoing process there depended and at a time when tension had reached its peak — as the assassination of former ANC military chief Chris Hani a few days later made clear. And, of course, a summit dialogue of this sort could have promoted the Joint Assembly to an envious position in the leading ranks of international diplomacy.

However, the regret which many of the European members of parliament felt at this lost opportunity was soon swept aside by the standard of the speeches by the three main architects of the Southern African hearing. Simba Makoni, Executive Director of the Southern African Development Community (SADC), Trevor Manuel, of the Executive Committee of the ANC and responsible for

Missions to South Africa...

At the invitation of the African National Congress and the Government of South Africa, an official delegation of the ACP-EEC Joint Assembly, led by its co-Presidents Maria Cassanmagnago-Cerretti and Erskine Simmons, visited South Africa for the first time.

The primary objective of the mission was to assess the political situation in the country as regards the negotiations on constitutional reform leading to the establishment of a democratic South Africa. In addition, the mission investigated the attempts which are being made at various levels in South African society to stem the violence. This violence, if it is not brought under control, could undermine even the most serious efforts to create new, democratically accountable institutions. The mission was also concerned with the development needs of South Africa, particularly in relation to the situation in the townships where the needs of the victims of apartheid are greatest. In this respect, it was able to witness the impact of the European Community's special programme for the victims of apartheid which, in 1993, is providing ECU90m for projects related to health, education and other social needs.

With the notable exception of members of the current government, the delegation met with the main political spokesmen who are currently engaged in multi-party discussions on the future of the country. These included Nelson Mandela, other senior ANC figures, Chief Buthelezi and officials of COSATU.

... and Mozambique

Immediately following the meeting in Gaborone, a European Parliament delegation led by Henri Saby, who is Chairman of the Development Committee, went to Mozambique. It had discussions there with President Joaquim Chissano, RENAMO leader Alfonso Dhlakama, members of the National Assembly, Red Cross representatives and a variety of other NGOs.

The delegation, which included MEPs, Mrs Braun-Moser, Mrs Daly, Mr Laroni Mantovani and Mr Mendes-Bota, also visited several development projects financed by the European Community including the port of Beira which has been completely rehabilitated by the EC.

At the end of the visit, Mr Saby said that the peace accords signed in Rome in October 1992 had radically altered the situation in terms of the needs of Mozambique. With the armed conflict having given way to political dialogue and the discussion of ideas, the peace process would now appear to be well under way. ○

economic matters, and Bobby Godsell, Executive Director of the Anglo-American Corporation, plus, of course, Peter Pooley, acting Director-General for Development at the Commission of the European Communities, may not have the political prestige of a de Klerk or a Mandela, but they are leading lights in the drama being played out in Southern Africa nonetheless.

The discussion went straight to the heart of the matter — the ongoing negotiations on the future of South Africa, which everyone hoped to see lead to democratic elections very soon. As Trevor Manuel put it, the country could not afford the luxury of choice if it was to avoid sinking into generalised violence and ethnic conflict, the great fear of Simba Makoni, for whom the situation had all the makings of a 'potential Yugoslavia'.

The priority of the new South Africa which emerged from this process would be to bring up the level of a third of the population — about 12 million people — which was currently without drinking water, schooling or health care and whose average income, $640 p.a., was only a tenth of what the Whites had. For popular belief was mistaken. Despite having 21 universities and a wealthy 'first world' between Cape Town and Durban, social indicators in South Africa were behind those of Malawi in education — and access to drinking water.

So it would take all its resources to right the balance between, say, central Johannesburg and Soweto and the hopes which some African countries nurtured of the New South Africa contributing to their development would be pipe dreams for some time to come. That at least was how Bobby Godsell saw it, as indeed did Peter Pooley, who maintained that the country, with its very dual economy still over-dependent on the primary sector, would not be able to be the power house of the whole region right away.

But in the end? It certainly would be if the speakers' unanimity as to democratic South Africa's future being bound up with the whole region was anything to go by. It would have to join the SADC, of course, and establish links with the Lomé Convention too, although, as Peter Pooley pointed out, this would change the size of the club and have repercussions on all its members.

This created apprehension, for some people feared that, if South Africa joined Lomé, it would attract the bulk of the investments and the financing and create an imbalance. Simba Makoni did not agree. There was already as much discrepancy between, say, Tanzania and Swaziland or Malawi and Zimbabwe, he said, pointing out that similar fears, when Zimbabwe joined the Convention, had proved to be without foundation.

However, if the SADC really does stand for the future of the region as a whole and is therefore destined to expand to include a democratic South Africa, South Africa will be bound to have links with the EEC, if only through the SADC. This is why now is the time to think about what form these relations should take and what methods of assistance are desirable, for, as Trevor Manuel said, the new South Africa would have the greatest need of aid from the Community.

The debate, which was more technical than it would have been with de Klerk and Mandela present, at least stated the problem very clearly. It also made members of the Joint Assembly aware of the great fragility of a country which, in the striking words of Mrs Simon, was wavering between hope and danger. ○

Amadou TRAORE

Press and democratisation in Africa

This was the subject of a conference which the Commission of the European Communities and Reporters sans Frontières ran for African and Haitian journalists and professional and non-governmental press organisations in North and South in Brussels on 2-5 March 1993. The idea was to set up and monitor a practical, operational programme of action (see the final declaration which is reproduced at the end of this article).

In an Africa on the road to democracy, what are the challenges facing the press? They are of three kinds — political, ethical and economic.

The political challenge

At the top of the agenda is the harder line being taken by some authoritarian regimes. Eight journalists were killed and ten imprisoned in sub-Saharan Africa in 1992. Torture is everyday practice and journalists are regularly harassed in their private lives. The State runs broadcasting in 31 of the 45 countries.

Tackling this means ensuring better (North-South and South-South) dissemination of information — and this includes details of attacks on journalists and their means of expression. Practical solidarity has to be better organised and public opinion mobilised more often. One of the main problems is the impunity with which the freedom of the press is violated. International surveys must be run, regional self-defence networks organised and information channelled from the countries of the South to the countries of the North, so that international pressure can be brought to bear. Freedom of the press is still one of the best yardsticks for measuring human rights.

Hubert Ferraton (left), Head of Division at the EC Commission speaking to Pius Njawé of the 'Messager' newspaper of Cameroun — a country where the press and democracy have yet to find common ground for understanding

Both the role of the international and domestic media in triggering the democratic process and the journalists' contribution to making African citizens aware of the culture of democracy were highlighted during the conference.

One participant said how important the press was in crisis situations, insisting that information had to circulate in a democratic, competitive and pluralist context. One example of this, which he had seen in Kenya, Ethiopia and India, was the link between famine and freedom of the press, for as he said, 'countries with active free presses have rarely experienced famine'. Famine is not inevitable in fact. It is foreseeable and the media have a vital part to play in making people realise this.

Professional ethics

It is especially important to take up this particular challenge, because, if the press loses credibility, when, say, journalists are not properly trained or corrupt practices occur, there may be irregularities on which those in power may capitalise.

Laws and regulations are necessary but not sufficient. Those in power do not always abide by their own laws or respect the confidentiality of sources of information. 'We don't just need legal guarantees. We need the authorities to respect them.' A better definition of the notion of public order is required and a campaign must be waged against both censorship in general and, where it exists, any subjectivity in the criteria it applies. The important thing is to create an area of freedom, not forgetting that a legal framework is very different from real professional ethics.

Training in professional ethics has to be offered by schools of journalism or provided by the profession itself.

The economic challenge

What is to be done? There were some answers. Do not despise market forces, for example, assist with training in general, and in terms of administration and management too, and help with capitalisation. The conference also highlighted the need to set up national aid systems for the media.

Some African participants felt that the press in Africa 'belongs in the informal sector. It's a cottage industry.' When it came to paper supplies and printing and distribution, there was still a great deal to do. And the last two sectors were 'often monopolised by foreign companies'.

It ought not to take a miracle to run a newspaper in Africa any longer. But how can it be done? With a proper legal framework, trained and honest journalists and businessmen who are able to attract limited advertising resources.

The difficulty of obtaining information stemmed from the existence of national news agencies and from States which often declined to put out information which they in fact originated. Economic and financial information was rarely transparent in Africa, even in the democracies, and it was sometimes easier to obtain it through people in the North.

'Journalist or militant?' This was the title of a discussion of the crisis in the press seen from European and African points of view. Competition from cinema and television had spurred the European press to be élitist about the written word and see journalism as instructions for using reality. The same is happening in Africa, where readers' requests for information often focused on health, education and the environment — which meant, in particular, that journalists had to have specialised training in specific fields if the press was not to be confined to politics.

In conclusion, everyone thought that the press would never be independent unless it was economically independent first. It was the same for private press and State press alike, for the public sector had to be independent, even if laws were required to ensure economic competition between the State organs and the others.

What answers to what challenges?

The final declaration analyses the answers on training courses, the development of regional professional structures, the defence of the freedom of the press, access to information and the legal and ethical framework.

Manuel Marín, Member of the Commission of the European Communities responsible for Cooperation and Humanitarian Aid, told the meeting of the Community's political response.

'Today, we can say, quite clearly', he asserted, 'that human rights, democracy and therefore freedom of information are vital aspects of any development policy... The Community now has specific budget resources with which to promote human rights in the developing nations. But once again, the basic contribution has to come from the people concerned themselves. And that is where the press comes in. ... A look at even the most advanced of democracies shows that, in any society, the existence of a free and independent press is an essential and irreplaceable element in the balance of power.

Clearly, there can be no real development in a State where law does not prevail and where there is no democracy. Equally clearly, there can be no democracy without freedom of expression.

This is why the donors and the international organisations involved in development should in future give far greater priority to the means of communication in the developing countries, particularly in Africa.'

Speaking for the Commission, Mr Marín drew the following conclusions.

'What we in the Commission have learnt from this meeting will no doubt enable us to make the action we take in defence of freedom of information more consistent and more effective.

In the future, we must reflect on the best way of incorporating support for the consolidation of a democratic, independent press into our cooperation programmes with the developing countries.' ○

D.D.

FINAL DECLARATION

FRIDAY 5 MARCH 1993

Preamble

The Commission of the European Communities, anxious to help develop Africa's independent press, brought African and Haitian editors and journalists and professional and non-government organisations from the press in North and South together in Brussels on 2-5 March. The participants at this conference reaffirm their belief that the process of democratisation and development cannot be envisaged without an independent, pluralist press.

It is therefore vital for the international organisations to take the freedom of the press into account when granting their aid, a principle which the European Community has already applied in freezing its aid to some particularly repressive regimes. The principle must be applied more strictly. In sub-Saharan Africa, for example, 13 States regularly violate their own people's right to honest and credible information, often violently.

International organisations, starting with the European Community, have to strengthen the independent media, which have a professional approach and on whose existence and development the process of democratisation depends. The point of this aid should be to enable the media to achieve a stable enough position to carry out their mission.

Freedom of the press ought not remain the privilege of the few. It is universal. No nation should be deprived of it. Genuine solidarity is essential every day.

General provisions

Aid provided for the African media should depend less on their status, private or public, than on their respect for various principles of independence and professional ethics, in accordance with the Windhoek declaration.

The nature and volume of this aid have to be adjusted to the specific features of the nation or region. The degree of freedom of the press and the economic potential of each country are important criteria here.

The proposals set out below demand that provision be made now for structures to monitor the policies adopted.

Action programme

1. Training courses

Management training for press undertakings has to be geared to:

— rationalising day-to-day operation;

— boosting advertising income;

— developing and improving the control of the distribution network;

— ensuring continuity in relations with the funders.

Management training programmes could be coordinated (reception and monitoring of projects) by the International Federation of Newspaper Publishers.

As a first stage, the Commission of the European Communities could pursue some of these objectives by undertaking to finance a compilation of existing data on the audiences for African media and by commissioning an independent organisation to carry out a more systematic survey of these audiences.

Various priorities have been identified as regards journalists' training:
— specialisation (the environment, economic issues, the workings of States where the law prevails etc.);
— training for young journalists with little or no training;
— professional ethics.

They could be coordinated by the International Federation of Journalists.

Journalists have to be trained in the environment in which they are to work, so it is preferable for training courses to be run in the sub-regions (Western Africa, Southern Africa etc.) themselves, in conjunction with regional professional organisations (Union des Journalistes de l'Afrique de l'Ouest (UJAO), Media Institute of Southern Africa (MISA) etc.).

Alongside this, exchanges between media in North and South and between media in the South could be organised in the form of twinnings, of the sort already set up by the FIEJ and Reporters sans Frontières.

All training schemes could be financed, in particular, by the Commission of the European Communities and the Communication Assistance Foundation in the Netherlands.

2. Development of regional professional structures

Several regions of Africa already have associations — the Federation of East African Journalists (FEAJ), MISA, the Société des Editeurs de la Presse Privée (SEPP), UJAO etc — to improve the dissemination of information, defend the freedom of the press, assist local organisations in their negotiations with the authorities etc.

These associations often find everyday operation difficult and they could be helped by means of projects for which they themselves would be responsible. The dossier on attacks on freedom of the press in Africa, to be presented at the Vienna Conference in June 1993, is one example of a project for which financial assistance could be provided.

Alongside this, an economic interest group of independent press publishers could be given help if it was entirely responsible for independent studies of improvements to printing, distribution, computer-assisted publishing, distribution techniques etc.

There are two great advantages to economic interest groups. They put responsibility directly on to their members' shoulders and enable them to protect themselves in group activity from any undesirable involvement on the part of professionals who are too close to authoritarian regimes.

Such groups could also set up paper purchasing co-operatives and, lastly, benefit from the European Community's financial machinery for profit-making organisations (industrial development centres) and industrial cooperation.

3. Defending freedom of the press

Even today, organisations working to defend the freedom of the press all too often do not know, or find out too late, about violations of freedom of expression in Africa.

This could be countered in two ways, by:
— increasing the number of commissions of enquiry in the field;
— setting up a system to compile and disseminate data on the subject.

Reporters sans Frontières could be invited to coordinate these schemes, in conjunction with the other international and regional organisations concerned with freedom of the press, and to manage a fund to finance legal assistance (for court cases involving journalists or freedom of the press) and particularly symbolic solidarity schemes.

All these operations could be covered by a financing programme set up by the Commission of the European Communities.

4. Sources of information

A desire to see the media have proper documentary services and correspondents in a position to cover events relating, primarily, to the countries of Africa has been emphasised on a number of occasions.

Although, for the time being, it seems difficult to mobilise the resources to create such documentary services in all organs of the press which need them, two types of operation are possible:
— support for structures specialising in the production of information on the continent of Africa. The idea of offering support for the transformation of the Pan-African Press Agency (PANA), for example, has been mentioned;
— recommendations to the Community Member States and the Commission to make their documentation centres in the various African capitals available to the independent press and to make more resources available to agencies such as MFI.

5. The legal framework and professional ethics

Professional ethics and problems related to the legal set-up have to be separated, in particular because they involve different people. Ethics are a matter for the profession alone, whereas any action related to the legal framework involves the authorities. Legislative action may relate both to legal provisions and to the regulations governing the economic environment of the press.

Whether priority is on one or the other (professional ethics or the legal framework) depends on the country, and the type of action to be taken depends directly on the state of freedom of the press in each country.

In countries where the freedom of the press is most seriously threatened, priority should go to political action to condemn laws and regulations which throttle freedom.

In countries where a process of democratisation is under way, the profession must be given what it needs to make an effective contribution to the establishment of laws and regulations to enhance the freedom of the press. In countries where the situation is good, the priority is on professional ethics.

Action in these areas could be coordinated by the Institut Panos and Article 19. UNESCO and the Commission of the European Communities could finance it jointly.

Lorenzo Natali Prize awarded

Manuel Marín, Member of the Commission, presented the first Lorenzo Natali Prize in 1992, during the Press and Democratisation in Africa conference. The prize, for journalism, honours the memory of Lorenzo Natali, a former vice-president of the Commission who was responsible for development cooperation.

The judges for the 1992 prize awarded it to the newsletter of Reporters sans Frontières, an organisation which has done outstanding work for the defence of human rights and democracy in the developing countries. They also decided to give special commendation to Nicoué Broohm for his article on deliberate servitude and human rights in Africa, which appeared in the first issue of Droits et Libertés, the journal of the Ligue Togolaise des Droits de l'Homme. In doing this, they were paying tribute to an article and a journal representing the movement for rights and freedoms which is a feature of so many developing countries.

Robert Menard, who runs Reporters sans Frontières, received the prize and Nicoué Broohm his special mention on 5 March.

At the prize-giving, Manuel Marín said this:

'I should just like to say that, on this first occasion, the judges wanted to pay tribute to the work of a non-governmental organisation which performs the essential function of monitoring and surveillance of the violation of the human rights of journalists the world over.

'The Reporters sans Frontières' newsletter and the organisation's famous annual report on freedom of the press in the world are a valuable reference in the development of the struggle for rights and freedoms.

'But, of course, Reporters sans Frontières was not the only worthy candidate. We received more than 50 entries, most of them of a very high standard, and the judges therefore took the unanimous decision also to give special commendation to Nicoué Broohm.

'Mr Broohm, who is with us today, is a Doctor of Philosophy of the Sorbonne and is currently teaching at the University of Benin. He wrote a remarkable article in the Revue Togolaise des Droits de l'Homme and I should like to quote this passage from it. It is particularly significant.

'We are all responsible for African policy. It is up to us to see that it is law-abiding, that it becomes more humane and that, ultimately, it works for its authentic aim — free men.'

'This is a message full of courage and hope.

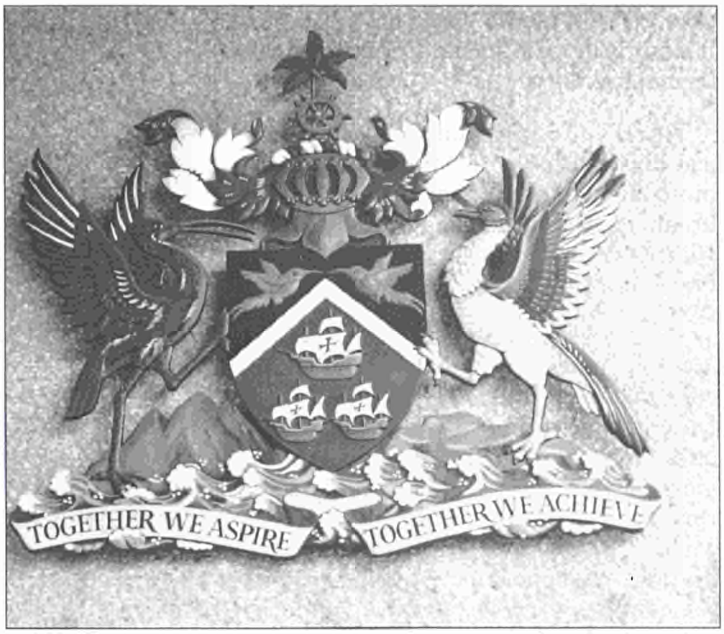
'Mr Broohm represents a whole generation of Africans who believe in democracy and who are fighting in what are sometimes extremely difficult conditions. In awarding this special commendation, the Commission wished to emphasise the importance of the move to democracy in Africa, for the call for freedom derives from the courage and the commitment of the people themselves — of whom Mr Broohm is a fine example'.

Participants at the colloquium on the press and democratisation in Africa attended the presentation ceremony of the Lorenzo Natali Prize for Journalism. On the right are Hans Smida, Director at the Commission, and Dominique David, Editor of The Courier

Manuel Marín, the EC Commissioner responsible for development policy, presented the awards. He is pictured here with Robert Ménard, who accepted the prize on behalf of Reporters sans Frontières

Manuel Marín congratulates runner-up Nicoué Broohm of Togo who received a special commendation from the prize jury

TRINIDAD AND TOBAGO



Refocusing the energy

National mottos tend not to give much of an indication about what a country is like. They are necessarily short and because they are almost always couched in uplifting language supposedly designed to encapsulate the spirit of the nation, they all end up looking remarkably similar.

The motto of Trinidad and Tobago — *'Together we aspire, together we achieve'* does not really deviate from this general pattern but the emphasis on 'togetherness' is significant nonetheless. For despite the fact that this twin-island republic has only 1.25 million inhabitants, it is one of the most ethnically diverse countries in the world. Its people have their roots in Africa, India, Europe, China and the Middle East and the result is a cultural mix which enriches, but also sometimes challenges, the society as a whole.

Although geologically connected to South America (only 10 km of sea separate Trinidad from Venezuela) the country forms part of the English-speaking Caribbean and the explanation for its ethnic diversity is to be found in its chequered colonial history. Prior to the arrival of the Europeans, the islands were inhabited by various Amerindian tribes. They were to suffer the same sad fate as many other indigenous peoples in the region, as the lethal combination of new diseases and colonial mistreatment provoked a rapid population decline leading to ultimate extinction.

The first European colonists were Spanish (which explains the name) and they were followed in turn by the French and the British. Tobago, which is said to have changed hands more often than any other Caribbean island, has not always been linked with Trinidad, but plantation societies evolved in both territories and slaves were brought from Africa to work in sugar production. Following the abolition of slavery, a shortage of workers led to the introduction into Trinidad (but not Tobago) of large numbers of indentured labourers from the Indian subcontinent. Smaller but nevertheless significant numbers of Chinese, Lebanese, Syrians and other Mediterranean settlers also found their way to the islands, to complete the ethnic kaleidoscope.

Melting pot or unity in diversity?

There is an argument that one should not talk about ethnic differences since in doing so, one reinforces divisions which in an ideal world, would cease to have significance with the passage of time. This may be a valid view in certain circumstances, but to ignore such differences when they clearly have a particular impact on the society under discussion, would result in an incomplete picture being presented.

Today, the largest single group in Trinidad consists of people of broadly African origin. Not far behind are the Indian community and together, they make up between 80% and 90% of the total population. (It is a very different situation in Tobago where 90% of the people have African roots.) In terms of religious affiliation, about a third of the population is Roman Catholic, 25% are Hindu, 15% Anglican and 6% Muslim.

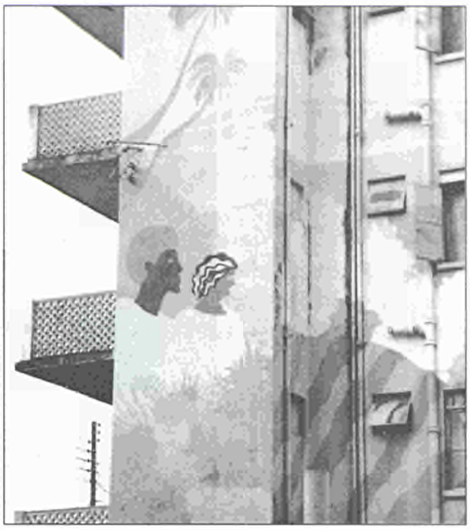
It should be stressed that, on the whole, Trinidad's different communities coexist peacefully and amicably. It is also true that a distinct national consciousness has emerged since independence and there has been considerable blending of cultural elements to create something which is new. But while some of the distinctions have become blurred, the view of Trinidad as a 'melting pot' is not a wholly accurate one, at least at the present stage in the country's development.

One noteworthy area of difference is to be seen in the economic sphere. The pre-independence power of the 'white' Creole minority (the descendants of the old planter class) has not suprisingly been eroded in a country whose wealth is now based mainly on hydrocarbons, but the direct relationship between personal wealth and the lightness of one's skin has not yet been completely eradicated. It was this inequality that prompted the 'Black Power' protests of 1970 which threatened for a while to destabilise the country. There is also a division, in terms of the type of job taken, between African and Indian Trinidadians, the most obvious example of which is the overwhelming predominance of the latter in sugar cane production. It should be said that racial or ethnic considerations do not appear to feature in appointments to professional or managerial posts.

There is also something of a geographical divide. People of African origin are more likely to live in the north and in an urban environment (ie Port of Spain) while Indians are in the majority in the more rural south.

The most significant evidence of ethnic division, however, is to be seen in the country's voting patterns. The People's National Movement (PNM), which has only been out of government once since independence in 1962, was traditionally considered the 'black people's party' while Indians tended to vote *en bloc* for the principal opposition grouping. This is something which persists to this day although the division is by no means absolute. An illustration of this is the fact that the current PNM cabinet contains people from a variety of backgrounds.

It is important to underline the fact that, in comparison with many societies divided along ethnic or religious lines, Trinidad and Tobago is a country which is generally at ease with itself. People of all races are keen to emphasise this and to highlight the benefits of what might be called 'diversity in unity'. Nowhere is this diversity more vividly displayed than in the cultural field. The world famous Carnival, the home-grown musical traditions and the Indian festivals (which are discussed further in the *Culture and the Arts* section of this issue) are all evidence of tremendous creativity and there must surely be a positive connection between this and the cosmopolitan nature of the country.



The Courier

A mural on a Port of Spain apartment block. This is a society of tremendous creativity

Economic challenges

Regular readers of *The Courier* must now be very familiar with stories of post cold-war economic reforms. The world seems currently to be going through an orgy of restructuring which is leaving few countries, sectors or individuals unaffected and Trinidad and Tobago is no exception.

What does mark the country out as different from most of its ACP partners is its relative prosperity; a situation which is due almost entirely to the petroleum sector. For many years, oil specifically, and energy-related industries more generally, have provided the government with the kind of revenue which other less fortunate ACP states can only dream of. The highly visible results of this include large industrial developments (notably in central Trinidad), a well-maintained road network, extensive public services and air-conditioned shopping malls offering a wide range of products, including luxury goods. In 1992, GDP per head was estimated at US $4358.

But appearances can be deceptive and statistics taken out of context may be misleading. For a combination of declining oil production and low prices has hit the country's real income badly since the boom years of the 1970s and early 1980s. *Per capita* GDP used to be significantly higher and the signs of prosperity mask a precarious economic position which the government is struggling to remedy.

There are those, (mainly outsiders, it has to be said) who have suggested that Trinidad and Tobago may have lost out in the long run, because of the high level of dependence on its petroleum resources. The argument behind this so-called 'resource curse thesis (which is discussed in an article by Richard Auty in issue 130 of *The Courier*) is that the revenue windfalls resulting from huge price increases in 1973 and 1979 led to unrealistically high expectations, excessive spending commitments and neglect of sectors of the economy which were ultimately more capable of delivering a sustained return. When the oil prices collapsed, it is suggested, the pain of 'downward' readjustment was greater than the benefit derived from the original windfall.

Most of the people working in the various business sectors whom *The Courier* spoke to acknowledged that his argument had a certain validity but the idea that the country would have done better without oil was roundly dismissed. There was general agreement that Trinidad and Tobago had 'gone overboard' somewhat when the oil revenues flooded in, with large scale investment in new, state-owned manufacturing enterprises, price freezes and various other forms of subsidy. It was also acknowledged that the oil boom had the effect of strengthening the currency substantially to the detriment of exporters. The expectations of ordinary people almost certainly rose too high and both efficiency and prudent economic management suffered as a result. But in the final analysis, the average income in Trinidad and Tobago is still a great deal higher than it would otherwise have been. Perhaps more importantly, the oil windfall allowed for significant infrastructural improvements to be made and this will be an important

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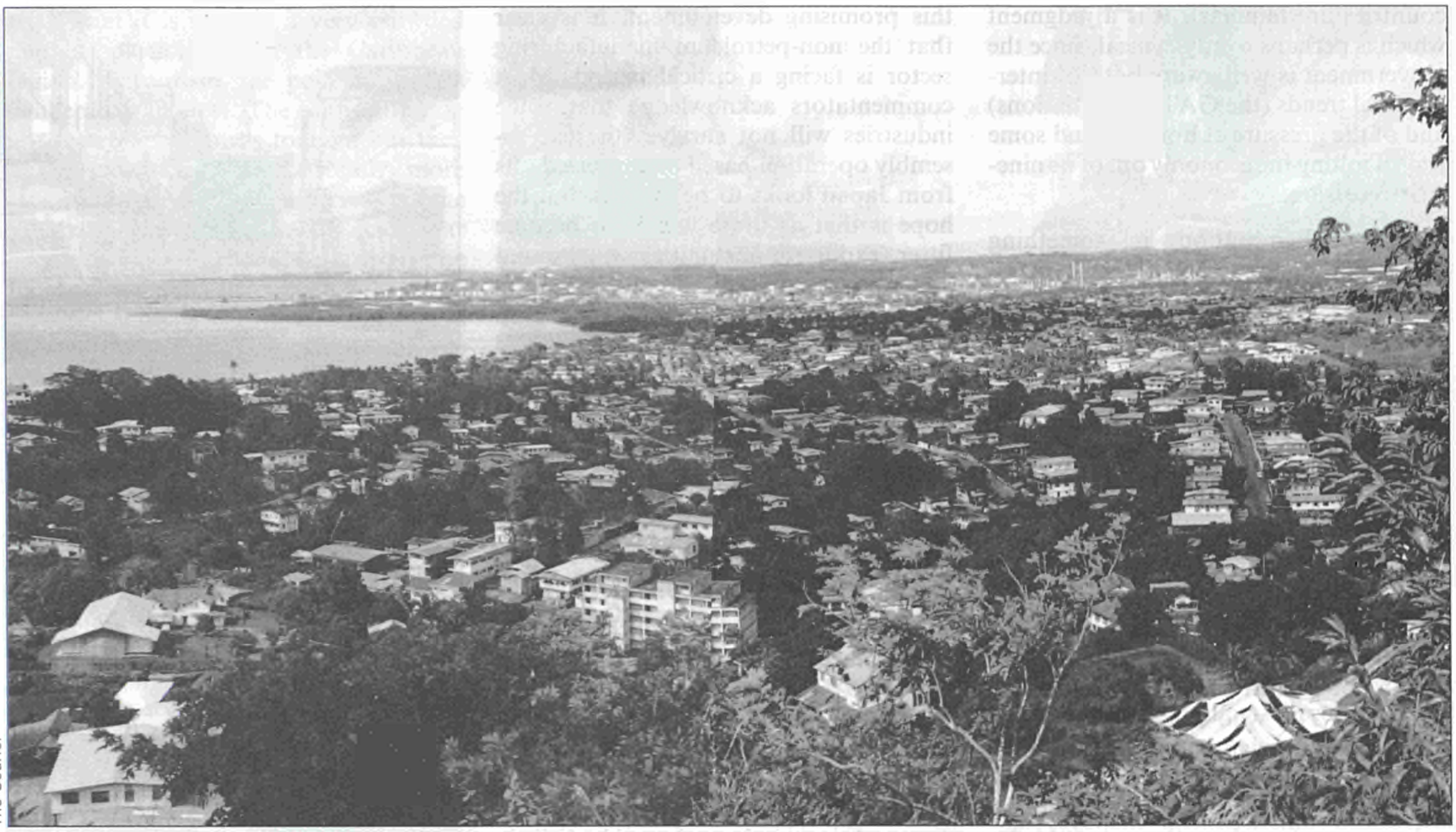
A view of the dual carriageway between Port of Spain and Chaguaramas.
One of the main benefits of past oil booms is that the country has a well-developed infrastructure



Until recently, the economic strategy of Trinidad and Tobago was inward-looking. But there is a growing realisation that the country must expand its horizons to ensure its future prosperity

selling-point in the drive which has recently begun to attract new investment.

As is discussed in the article on the energy sector which appears later in this Report, major changes are being implemented with a view to extending the life of Trinidad's oil industry and exploiting further the huge reserves of natural gas. This is part of a wider strategy which will have major implications for the manufacturing sector more generally.

The economic legacy

In order to re-establish economic growth after several years of stagnation, the government has recognised that large-scale restructuring is needed throughout the economy. For while Trinidad and Tobago has never even flirted with Cuban or Eastern European-style communism it has somehow found itself exhibiting many of the characteristics of a command economy. Large areas of production — oil, gas, various downstream energy products, steel, sugar and civil aviation, to name just a few — are run by state-owned concerns and many of these are loss-making and inefficient. Ministers insist that ideology did not play a part in this development, although Trinidad and Tobago's first Prime Minister, Eric Williams, who dominated the politics of the country for more than two decades, does appear to have been motivated by nationalist feelings which were manifested in a suspicion of multinationals and a desire for the country to have full control of its own resources. In fact, what happened was that the oil income provided the government with the capacity to intervene on a large scale and when a sector or industry was in trouble, the logical solution (so it seemed at the time) was for the state to step in. This happened in the sugar sector when Tate and Lyle decided to withdraw from the country and in oil, when the multinationals took similar decisions. The government was also best-placed to develop manufacturing capacity in the oil-related sector and so it came progressively to dominate economic activity in the country.

The claim that ideology (of the left-wing variety) was not an important factor is not accepted by everybody but it should be acknowledged that even during the 'interventionist' phase, local private enterprise was not discouraged. Indeed, the Government's commitment to indigenous manufacturing activity, whether public or private, was reflected in a highly protectionist policy which largely excluded imports of products which could compete with local manufactured goods. Accordingly, the view that alternative activities were neglected in the oil boom is not entirely accurate although the distortions which it generated in the wider economy must be acknowledged.

This takes us back to the restructuring which was mentioned earlier and which is widely recognised as being overdue. The Government has acknowledged the need for rationalisation, new investment and a move towards a more open economy in which the state's role is diminished. As regards the last of these, Ministers eschew the term 'privatisation', which is seen as unduly ideological and clearly do not envisage withdrawing from the productive economy altogether but between 20 and 30 state enterprises have been earmarked for 'divestment' and two (a hotel and a packaging firm) have already been sold off. It is suggested in some quarters that this new policy has been 'dictated' by the need to satisfy the IMF, a loan having been negotiated with the Washington-based organisation (the dreaded 'conditionality' with which many developing countries are familiar). It is a judgment which is perhaps overly cynical, since the Government is well aware both of international trends (the GATT negotiations) and of the pressure at home to find some way of jolting the economy out of its nine-year recession.

Trade liberalisation is something which has been greeted with mixed feelings in the business community for obvious reasons. For many years, the islands' extensive manufacturing sector — which supplies the local market and Caricom neighbours with processed foods, building materials, cosmetics and toiletries, household goods, textiles, footwear, printing and packaging materials, and cars — has been protected against outside competition. However, the government has recently acted to remove quotas and initially punitive tariffs of up to 100% will gradually be reduced. The plan is for a tariff of just 20% by 1998. *Neil Poon Tip,* who is President of the 250-strong Trinidad and Tobago Manufacturer's Association (TTMA) explained his members' concern about this policy, arguing that there would be 'insufficient time to adjust to the new liberalised regime' and pointing out that while petroleum brought in most of the money, manufacturing provided a lot more jobs. With unemployment currently at more than 20%, the policy could end up having serious social consequences if it led to company failures. He also cast doubt on whether a genuinely 'level playing field' would result from the measures, stressing the difficulties that local companies had in gaining access to the crucial United States market. This was a point taken up by *Hugh Henderson* of Neal and Massy which is one of the largest groups of companies in the Caribbean. He drew attention to the fact that the US quota for tinned milk from Trinidad and Tobago was only *11 cases per annum!*

Both men acknowledged that the European Community market had not attracted a great deal of attention, despite the liberal access provisions under the Lomé Convention. Mr Poon Tip believed that the most promising area for the future would be South America. Both Caricom, and Trinidad and Tobago in its own right, have recently signed trade agreements with Venezuela which are seen as the first steps in expanding commercial ties with what are, after all, the islands' closest neighbours. Despite this promising development, it is clear that the non-petroleum manufacturing sector is facing a critical period. Most commentators acknowledge that some industries will not survive (the car assembly operation based on imported kits from Japan looks to be at risk), but the hope is that as those which do become fitter, export opportunities will expand and new possibilities for diversification will emerge. Trinidad and Tobago is clearly relying on the ability of its local entrepreneurs to meet the competitive challenge. But if they fail, the country is likely to find itself more rather than less dependent on the energy sector and faced with an even more serious unemployment problem.

Trade union concerns

For a trade-union view of the changes taking place in the economy, *The Courier* turned to *Errol McLeod* of the Oilfield Workers Trade Union (OWTU) who heads the islands' union movement. He was, to put in mildly, less than enthusiastic about the current trend arguing that political independence had little substance if it was not accompanied by control over the economy. He explained how the OWTU has played a crucial role in persuading the Government to acquire assets in the past, when multinational oil companies decide to reduce their involvement in the country and insisted that if this had not happened, Trinidad and Tobago would have lost out heavily during the oil booms, Mr McLeod's position, it should be acknowledged, is not one of total opposition to change. He stressed his support for 'a mixed economy' in which government, labour *and* foreign investors should have a role and concluded that the most important thing was 'to protect and nurture the interests of Trinidad and Tobago'. On the specific question of trade liberalisation, he doubted whether the country was large enough to develop the economies of scale necessary to compete effectively on the international markets. Despite this gloomy assessment, he did not oppose the process altogether but, like the TTMA, suggested that it was being implemented too quickly.

Turning briefly to other economic sectors, the Government is keen to see services expand in a number of areas. There is quite a lot of talk about developing finance centre activities although the scope for growth in this area is uncertain

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Scenes from in and around Port of Spain given that it is already a very crowded market, particularly in the Caribbean region. In tourism, the policy aims are deliberately modest. The authorities are not interested in mass tourism but they have decided to market the country more positively with a view to increasing the number of visitors and with a particular emphasis on so-called 'eco-tourism'. The focal point for tourism will continue to be Tobago (see the article on Tobago later in this Report). In the transport sector, the country's national airline, BWIA (known locally as 'Beewee') is in a financially precarious position. This is the largest airline in the English-speaking Caribbean and serves a number of European destinations. Indeed, it is crucial to Tobago's current tourist operation as it is the only operator to offer direct long-haul flights from that island's airport. There can be no clearer indication of the policy transformation that is taking place than the decision to seek an overseas partner for BWIA. In practial terms, the airline may well end up being merged with a much larger foreign carrier and it is a sign of the times that such a move can now be contemplated. The problem at the moment is finding another airline which is willing to take on the job.

Political stability

It is clear from the foregoing that Trinidad and Tobago faces economic problems but it is important to keep these in perspective. The big economic issues which are being debated are on the agenda largely because the Government has decided to act and potential foreign investors would doubtless prefer this to inertia. More importantly, for the potential investor, Trinidad and Tobago has a number of highly positive advantages.

Perhaps the most important of these is political stability — a condition which businesses crave and which they are denied in many parts of the world. To this claim of political stability, a cynic might say: 'but what about the 1990 coup'. No-one can deny that the coup attempt by a small group of well-armed and highly motivated 'Islamic' activists has cast a shadow, but the event needs to be put in perspective. There was never the remotest prospect that Trinidad and Tobago would become an Islamic fundamentalist state, as was reported in some of the foreign press. With a Muslim population of only 6% (most of whom did not support the takeover attempt) the suggestion is frankly ludicrous. The reality is that the coup leaders misread the prevailing popular feeling, which was admittedly one of discontent over the state of the economy, and the commitment of the people to their long-standing democratic tradition. Those who took part were not much more than 100-strong but they were well-armed (it is widely believed that they received outside support). Their only temporary success was in capturing key public buildings, including the Parliament (the Red House) which happened to be in session. Indeed, to talk of it as an attemped coup is probably misleading — it was more a glorified hostage situation. However, it has had a positive effect in that people are more conscious of the need to support and defend democracy. The looting which took place while the authorities were 'distracted' is perhaps a different matter, which has caused some soul-searching in the society but opportunistic behaviour of this kind is by no means unique to Trinidad as the citizens of Los Angeles and Liverpool can attest.

The Courier

'The coup leaders misread the popular feeling and the people's commitment to democracy'

One interesting post-script to the events of 1990 is the recent upholding of the Presidential amnesty which was granted to the coup leaders, reputedly under a certain amount of duress. The judicial authorities, to the dismay of many, decided that the amnesty had to stand, thereby removing the possibility of prosecution. Given the lives that were lost and the serious material damage which occurred, the public's anger is understandable but if one look at this decision dispassionately, it points to a respect for the rule of law even in the face of extreme provocation. Foreign investors should take note!

Other important advantages include the excellent infrastructure which was mentioned earlier and the high level of education in the country.

Aspirations articulated, achievements awaited

Returning to Trinidad and Tobago's national motto; 'Together we aspire, together we achieve' it is probably fair to say that the new aspirations have now been articulated but the achievements will take some time to work through the system. The people of Trinidad and Tobago are being given some strong medicine as the Government strives to restore growth to the economy. And as one would expect in a genuinely pluralist society, those who dislike the taste or the dosage have had no qualms about in telling *The Courier* about it. Economic activity is expected to remain stagnant in 1993, which happens to be the peak year for public debt repayment. Liquidity will continue to be tight because of high interest rates, while stringent fiscal policies point to more pain in the public sector. Unemployment is set to remain high. But at the end of the day, there is a feeling that the pain will have been worth it as the country emerges in a better condition to attract investment, exploit the natural inventiveness of its people and do battle in the world markets.○

Simon HORNER

'Trade reforms essential', says Prime Minister Patrick Manning

In 1986, after 30 years in Government, the People's National Movement (PNM) of Trinidad and Tobago was heavily defeated in a general election, retaining only three seats in the 36-member House of Representatives. Five years later, they swept back to power with a six-seat majority, an achievement due in no small measure to the efforts of the PNM's youthful leader, Patrick Manning.

Of course, winning elections is one thing. Winning the battle for economic prosperity — as democratic leaders throughout the world have discovered — can be a much more difficult proposition. While Trinidad and Tobago may be a prosperous country in ACP terms, its heavy reliance on oil and the related energy sector means that it has been riding an economic roller coaster in the three decades since independence and this has thrown up some formidable economic challenges.

Today, the free-market philosophy prevails and strenuous efforts are being made to adapt to the new order. Protectionism is out and free trade is in. State enterprises are being 'divested' and foreign investment encouraged. Fiscal responsibility is stressed and social programmes are under pressure as a result.

In this interview, Prime Minister Manning explains his government's economic strategy to ***The Courier*** *and sets out his vision for the future.*

▶ *Prime Minister, the Trinidad and Tobago economy has performed sluggishly since the end of the oil boom. How confident are you that the Government's policy of economic liberalisation will lead to sustainable growth?*

— I am very confident about it. In fact let's argue it from the other standpoint. If we do not have a trade reform programme, we will find ourselves in a situation where the economy will collapse. We will not be able to trade with anyone and that is not an option available to us.

In the context of trade, we have had to pursue a pattern of reforms that gives our country the best chance of economic survival and revival. We have stretched these reforms out over a period and are now coming to the end of the process — it should be completed by the end of 1993 or in early 1994. We are also actively taking steps in a number of sectors to ensure economic growth. Principal among these is the energy sector, in respect of which we have made a number of announcements recently. And we are seeing quite a bit of interest and investment coming in as a consequence of our actions. Also, we are moving ahead in agriculture and in a number of other sectors. We are quite confident that we are on the right track.

▶ *How realistic do you think it is to pursue a diversification policy in an increasingly open world market. You now have policies which, within five to seven years, will reduce the tariff barriers very significantly for entry to the Trinidad and Tobago market. Are you convinced that local companies outside the energy field will be able to compete?*

— Companies in the energy field have always been able to compete. Trinidad and Tobago is the second largest exporter of ammonia in the world. We have five large plants here and our domestic consumption can take only a very small fraction of the output of only one of those plants. We are also competing quite successfully in methanol, urea, iron and steel. Now that is the energy sector as opposed to merely the oil sector and I think it is important to make the distinction. One of our strategies is to continue diversification within the energy sector where we have already proved ourselves of world class and competitive. We will continue in that direction and have no doubt that our efforts will continue to bear fruit. We also have a major thrust, of course, specifically in the oil sector.

Diversification, in our view, should never mean failing to maximise the benefits to the country of its natural resources. If oil is a natural resource, our responsibility is to maximise the benefits from it. The same goes for natural gas. But while we are doing that, we are also paying greater attention to development in other areas such as agriculture, tourism and industry more generally. Our view is that the jobs the country requires can only be created by a large number of firms — mainly small firms — and we are pursuing a policy designed to achieve that.

▶ *Another sector of the economy which is very important and which appears to be facing long-term decline is the sugar industry. What do you think is the future for sugar?*

— Early last year, the management of Caroni Ltd, [1] worker representatives and the Government sat around a table and hammered out an arrangement designed to ensure the survival and growth of the sugar industry over the medium to long term. We have started to put that programme into place and expect to see viability in about seven to eight years' time. On the basis of the work that has been done, I have every confidence that we will see some progress.

At the moment, our sugar industry is very uncompetitive and it survives only because of our arrangements with the European Community and — to a very minor extent — because of the access that we have to the US market. What we now have to do is recognise, in the changes taking place within the EC itself and, more specifically, in its relationships with the ACP countries, the possibility that these special arrangements will come to an end. There is no reason to believe that they will last forever. That means that we have to move to viability and competitiveness.

[1] Caroni (1975) Limited, is the state-owned 'National Agro Industrial Company of Trinidad and Tobago' which produces and markets the bulk of the country's sugar.

▶ *Your Government is committed to the divestment of a wide range of state-owned enterprises and agencies. How is this programme progressing and how far do you intend to take it?*

— Our economic policy was clearly set out in a document that we published in 1988. In this, we outlined the role of the state essentially as that of facilitator but also as that of investor in certain circumstances. We feel that the state should have a participating interest in industries of strategic importance, in public utilities and in certain other prescribed areas. Beyond that, we believe that it should, in an orderly fashion, divest itself of its current interests. We have, in the initial phase, identified 27 companies for divestment and the first two went through this process last year. You know that there is a learning curve involved here and it is bound to take some time for us to get the handle of it but the process will accelerate this year.

We are about to undertake divestment in the methanol company, which is currently 100% state-owned, but we have a different objective in mind in this particular case. Our aim is to increase our industrial base by adding an MTBE [2] plant to the existing methanol facility. What we are proposing to do, therefore, is find a joint venture partner. We will put in, as assets in the joint venture company, our holdings in the methanol plant while our partners would put in an appropriate amount of money. This will allow expansion into MTBE production with the Government having a reduced shareholding in the new set-up and our joint venture partner owning the rest. This kind of approach is consistent with our policy of divestment.

In other areas, we are getting out altogether. For example, in the ammonia/urea sector, Fertrin, [3] which has two ammonia plants, is owned 51% by the state and 49% by Amoco. The state also owns a urea facility which takes the entire output of one of the ammonia plants. Both ourselves and Amoco are seeking divestment of all of our holdings in these companies. In effect, we are looking to pass them over to a third party — for an appropriate fee of course. We don't consider the industry to be of strategic importance and, therefore, we can get completely out of it. So you can see that the pattern of divestment we are pursuing depends on the particular circumstances in each case.

▶ *A number of people I have spoken to say that 1993-94 will be a crucial period for Trinidad and Tobago because debt repayment is reaching a peak and this will impose severe constraints on the budget. What are you doing, at this difficult time, to preserve the social equilibrium of the country? You clearly have a serious unemployment problem.*

— We are trying to do quite a bit in that regard. First of all, we have increased our allocation to unemployment relief programmes this year by almost 50%. The effect of this will be to increase, by about the same percentage, the number of jobs available under these programmes. Secondly, by putting Caroni Ltd on a sounder footing, we are helping to stabilise the social situation in central Trinidad. Thirdly, we are embarking on job creation by stimulating the construction sector. Fourthly, we are working on a programme of land distribution, giving people an opportunity for the first time to get into productive agriculture. The beneficiaries of this scheme include *bona fide* farmers and high-quality agriculturalists who have been educated at local institutions. Fifthly, we are pursuing a policy which is designed to make Trinidad and Tobago the business and financial centre of the Caribbean, and again that means job creation. Sixthly, in the social sector itself, we are entering this year on a major programme of training for young people. By the end of 1993, we believe that this could be catering for about 5000 persons, rising to 10 000 in 1994 and subsequent years. We are also embarking on a programme of public works focusing mainly on community centres. Finally, there are the unemployment relief measures which we put in place last year and will continue this year. We have given priority to the maintenance of schools under this programme.

▶ *Turning to a political question, what effect do you think the attempted coup in 1990 has had on the country?*

— It is hard to say. I know there is a greater sense of vigilance in the society itself. There were, of course, fires in Port of Spain, and a number of buildings were burnt out. As a consequence, we are now moving to rebuild so, in a practical sense, you will see some activity arising out of the events of 1990. That apart, I cannot see that there has been any major effect.

▶ *Would it be fair to say that it was something of an aberration which does not really reflect on society more generally?*

— I think that is correct. You know we have a history of democracy and I don't get the sense that the people would like to see any system other than a democratic one. It was an aberration, I accept that, but one which could have been spawned out of high unemployment and that is something that we have to recognise.

▶ *Tourism is relatively underdeveloped in this country yet, in the course of my discussions here, the subject keeps cropping up, even when I am talking to people who aren't involved in the sector. I get the impression that there is quite a lot of hope being pinned on the development of tourism.*

— That is true but I should say that the Government's expectations for this industry are far more modest than those of a lot of others. We have never had a history in Trinidad — as opposed to Tobago — of major involvement in the tourism sector. One of the reasons for this is that there is no consensus about the pattern that tourist development should take. What we now feel is that there are opportunities based on eco-tourism and on the cultural diversity of the people of Trinidad and Tobago. It is, after all, a very rich culture. We see a future in 'event tourism' as exemplified in last year's very successful 'Carifesta'. Arising out of that, we are now contemplating some kind of cultural event, either annually or every two years, to be held in August, which is in the low season for tourism. At the same time, we are trying to marry that with opportunities in the sporting field, taking advantage of the fact that we have some very good sports facilities. And of course, there is Carnival.

▶ *One final question Prime Minister. What is your view of current relations between Trinidad and Tobago and the European Community?*

— We have not been able to draw down our allocations under the Lomé Convention and that has resulted in a lot of dialogue between us. But we are now moving more expeditiously on that front and, overall, I think relations are quite good. ○

Interview by S.H.

[2] MTBE is a more environmentally-friendly alternative to lead in petrol.

[3] Fertilizers of Trinidad and Tobago Ltd.

Interview with Foreign Minister, Ralph Maraj

Open for business

Trinidad and Tobago is open for business. It wants to win markets for its exports and is keen to attract foreign investment as well. This was the main message delivered by the Foreign Minister, Ralph Maraj, when he spoke to ***The Courier*** *earlier this year.*

Mr Maraj, who is a former teacher and television presenter, is a man who has risen quickly to prominence in ACP circles. As his country's Foreign Minister, he recently held the post of President of the ACP Council of Ministers and it was in this capacity that we interviewed him last year in the 'Meeting Point' of issue number 132.

On this occasion, the focus was on issues of particular significance to Trinidad and Tobago. In a wide-ranging discussion, Mr Maraj described the broad lines of his country's foreign policy, spoke about moves towards regional integration in the Caribbean and, perhaps most importantly, underlined the Government's drive to liberalise the economy and attract overseas investment.

▶ *How would you characterise the current relationship between Trinidad and Tobago and the European Community?*

— I would characterise it as very good. As you know, it is a long-standing relationship based on historical ties. Of course, there are some concerns which I am sure we all share, arising out of changing world economic circumstances and the emergence of new trading blocs. For example, the possibility of the erosion of the preferential access that the ACP countries enjoy under the Lomé Convention. But overall, we enjoy sound and stable relations with the European Community and Lomé is still a very special arrangement which is a good example of North-South cooperation.

▶ *We increasingly hear concerns being expressed that perhaps the Community is looking more towards eastern Europe. Indeed some people suggest, although I don't think there is any evidence yet, that there may be a diversion of resources from the South to the East. Is this something which worries you? And looking ahead, do you think there will still be an ACP in ten years' time?*

— I think that there is a need for the countries of the South to have some kind of mechanism for coming together. African, Caribbean and Pacific states are essentially countries of the South and the Lomé Convention is a perfect example of North-South dialogue which ought to be broadened. I also think that whatever arrangement emerges in the end, there needs to be a strengthening of South-South dialogue in order to be able to maintain constructive arrangements and dialogue with the North. In short, when you ask me about the future of the ACP, I think that the arrangement should continue and that it ought to be seen in the context of a need for greater cooperation and cohesion among countries of the South.

As regards your question about Eastern Europe, we already see resources moving in that direction. And whilst we are convinced that there is a need for this, because the dismantling of the communist system has really exposed the underdevelopment that exists in these countries, we hope that the recognition of this does not lead to a displacement of resources destined for developing countries of the South.

▶ *Can I focus a little more now on the situation here in the Caribbean? What is your view on the process of Caribbean integration, which doesn't seem to have gone as far as a lot of people hoped? In addition, Caricom itself is only a market of 5-6 million people. Do you see the future in a closer union of Caricom countries or in a wider association which brings in other islands and perhaps the Caribbean Basin as a whole?*

— One of the most exciting recommendations of the West Indian Commission Report was the one to establish an Association of Caribbean States which takes in the countries of the Caribbean littoral. I feel that that is one direction in which we ought to be going. Indeed, I think it is inescapable if we are to have the kind of strength we need to be able to deal with organisations like NAFTA (The North American Free Trade Area) and the European Community. We live, after all, in a world where countries are increasingly coming together, and we have to respond to that.

At the same time, we must understand that Caricom has its own history and traditions — its own ethos as it were — and whilst we may all lament the fact that we have not moved as fast as we would have liked in the integration process, we have nevertheless made progress. In the final analysis, I think that we can feel very positive about Caricom. One of its failings has admittedly been the deficiency of its implementation procedures and I believe there is now a general recognition of this. Recently, a Bureau was set up for the purpose of tackling this particular problem. It comprises three Prime Ministers: the one who is currently chairing Caricom, together with his or her immediate predecessor and successor. I was privileged to be involved in the Bureau's first meeting which took place recently and I am convinced that the new arrangements will expedite the implementation of Caricom decisions in the future.

▶ *In seeking to tackle Caricom's shortcomings, to what extent have you looked at the model of the European Community and the way in which it organises itself?*

— One of the major recommendations of the West Indian Commission report is the establishment of a Caricom body which is similar to the European Commission. I suspect that there is a connection here. More generally, I think that the lessons to be learned from the experience of the European Community are very valuable in terms of our own progress and I am sure they will continue to be.

▶ *You mentioned the NAFTA agreement which established a free trade area covering Canada, Mexico and the United States. Do you see that development as a* *threat or an opportunity for Trinidad and Tobago?*

— I think it is both a threat and an opportunity. When a very large market of 360 million people is created, it is bound to be seen in both ways. We need to get together as Caricom — and perhaps even more widely in the Caribbean — in order to focus on the positive opportunities. It is hardly likely that NAFTA will want to deal with the countries of the Caribbean on an individual basis so we need to work together.

► *Is there any possibility, given the close proximity of the Caribbean countries to the NAFTA grouping, that you will seek to become a part of it at some point in the future?*

— I would say yes. We shall have to deal with NAFTA eventually in some form or another. Our concern at the moment though is about the possible erosion of the preferences that we enjoy under the US Caribbean Basin Initiative. We need to know, for example, whether Mexico is going to be competing with Caricom countries for resources, or as a location for investment.

► *What about the two recent agreements negotiated with Venezuela: the one involving Caricom as a whole and the Trinidad and Tobago/Venezuela agreement? That looks as if it could be an interesting new avenue for trade relations.*

— We regard these as very important agreements. Firstly, the one-way free trade agreement between Caricom and Venezuela gives the Caricom countries the opportunity, as it were, to have a kind of 'dress rehearsal' in terms of competing internationally. The market in Caracas is essentially one of international standard and we now have access to it for more of our products.

At the bilateral level, the partial scope agreement which Trinidad and Tobago has signed with Venezuela serves to deepen further the relations that we have with our very close neighbour. It involves a list of selected items from both countries that can enter each other's markets at preferential tariff rates.

► *Looking at trade liberalisation more generally, your Government has decided to go down this path, with the abandonment of quotas — accompanied initially by increased tariffs — but with progressive tariff reductions over a relatively short timescale. What is the thinking behind this policy? Is it related to developments in GATT?*

— Well, the fact of the matter is that there has been considerable movement towards the globalisation and liberalisation of the world economy. If we in Trinidad and Tobago want to be part of this movement, to have the ability to enter other markets, to compete and, indeed, to survive, we need to make certain adjustments to our own financial and economic system. Of course one hopes for a successful conclusion to the GATT negotiations but we have to be sure that, when that happens, we have gone far enough in terms of transforming our economy to benefit from the opportunities that will accrue.

► *And what would you say to those who fear that things are happening a little too quickly — given that economies of scale are difficult to achieve in a small country and that, by opening up the markets, local manufacturing might suffer?*

— I would say that the import substitution policy that was employed in the past had its place. It helped to develop the manufacturing sector and it ought to have given companies the opportunity to become competitive. It also provided us with the type of management that we need in industry.

But competition, in the long run, is something which cannot be avoided. By its very nature, it will take care of inefficiencies in any system. People are able to recognise their own weaknesses and the extent to which they make use of that will determine how well they succeed in the market place.

One must expect that, in the initial stages, there will be some reduction in employment because some industries will fail, but in the final analysis I believe that liberalisation will benefit the economy because it places you in a position to be able to trade with the rest of the world. It gives your own manufacturers an opportunity to show what they are worth and to act as examples to others. It also gives a kind of psychological confidence when you know that your products can compete successfully in overseas markets. And, of course, it is of benefit to the consumer because it gives them choice in the market place, and competition has a way of ensuring that consumers end up paying the right price for the goods.

Another aspect of the opening-up of the markets is to be seen in our current efforts to attract foreign investment. We are a country with a lot of advantages and we are keen to make potential overseas investors aware of the opportunities available in Trinidad and Tobago. We already have some outstanding examples — for instance, the investment by Nucor in the iron carbide facility.

► *Can I ask you about that? Nucor is setting up in the free zone and will apparently be supplied with the gas for the iron carbide project at a subsidised rate. A number of people have suggested to me that, apart from a small amount of employment, Trinidad and Tobago will not actually benefit very much from the investment. How would you respond to that criticism?*

— Well let me put it this way. It is a very new technology that is being explored and we believe that once it is successful there will be opportunities for the establishment of further plants — that is one of the advantages...

► *So you would be supporting it as a kind of 'loss-leader': something which advertises the opportunities available in Trinidad and Tobago rather than something which is designed to give an immediate financial return?*

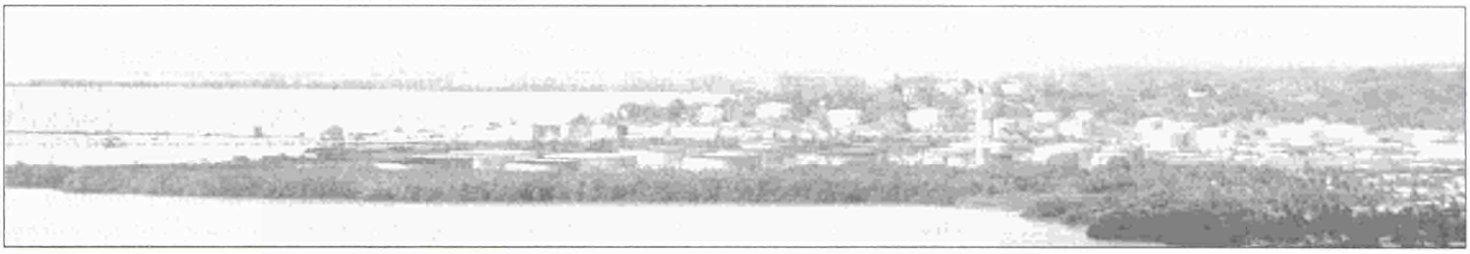
— There will be immediate financial benefits. They are going to be investing US$35 million and they will be generating employment. A number of people will be employed in construction and there will also be jobs available when the plant is operational. Then there is the arrangement which seeks to ensure that up to three other plants are set up. And, of course, you have the advantage that Nucor is a leading American company and that, in itself, is promotional in terms of the investment that we need to generate in Trinidad and Tobago.

► *From conversations with people in business and manufacturing, I have been struck by the fact that there is not a great deal of interest in exploiting European markets, notwithstanding the free access of the Lomé Convention. The focus seems to be much more on the United States. Is this something which concerns you?*

— Yes, I think that we have to correct that bias. It is understandable to some extent. We are, after all, a lot closer geographically to the United States, but we certainly need to do more to seize the opportunities available in Europe. Given our major export thrust at present, we have a job of promotion to do in making our exporters more aware of the opportunities that exist in the European Community. ○

Interview by S.H.

Energy will remain centre-stage as big changes are made to the set


The Courier

For as long as most people can remember, the petroleum sector has been the giant of Trinidad and Tobago's economy. In 1992, it generated almost 25% of GDP and at the height of the oil booms (or oil shocks, if one looks at it from the perspective of energy-importing countries) it was responsible for more than two-fifths of the country's domestic product. The impact of oil — both positive and negative — on the wider economy has already been discussed in the introductory article of this report. Here, we concentrate on the current position and on what is likely to happen in the future.

In the first instance, looking specifically at oil (as opposed to the wider energy sector), the industry in Trinidad and Tobago is recognised to be in the 'mature' phase. In everyday language, maturity may be regarded as a desirable asset, but when an economist uses the term the connotations are not likely to be so positive, particularly if the industry in question is engaged in the exploitation of a non-renewable resource. The word suggests that perhaps the best days are over and that decline is about to set in, if it has not already done so.

Oil has been extracted from onshore fields in Trinidad since 1876, making it one of the world's oldest sources of this vitally important hydrocarbon (the first offshore discoveries were made in 1969). But wells inevitably run dry and while new resources may be found, and new technologies developed to render marginal fields viable, the bounty cannot last forever. In 1981, Trinidad and Tobago had a gross revenue of US$2.3 billion from oil. By 1992, through a combination of lower production and reduced prices, the figure had dropped to US$800 million.

The wider picture, however, is a lot less gloomy than these figures might imply. The country has enormous reserves of natural gas and in the coming years this sub-sector of the energy business is expected to grow substantially, overtaking oil in the process. In addition, to paraphrase a well-known saying, the reports of the impending 'death' of oil may be exaggerated. The prospect of extending the life of the industry beyond the nine years suggested by current proven reserves have been boosted by a recent joint venture agreement for deep-mining exploration. No-one seriously expects oil to regain its dominant position of the boom years in the 1970s and early 1980s, but it is hoped that it can continue to make an important contribution to the economy of the country for the foreseeable future.

In talking of the energy sector, downstream activities must also be entered into the overall calculation. For while Trinidad and Tobago derives a great deal of income from primary energy extraction, it is also heavily involved in a range of directly and indirectly related industrial activities. These include, not surprisingly, oil refining and gas processing but also production of petrochemicals (ammonia and urea), methanol, iron and steel.

Energy policy review

Few doubt the fact that the energy sector is going to remain centre-stage in the economic life of Trinidad and Tobago for many years to come. But, to continue with the theatrical analogy, it is clear that the stage-crew is currently engaged in making big changes to the set. This is reflected in, among other things, the Government's recent decision to come forward with a new energy policy, the outlines of which were published in a 'Green Paper' in November 1992. This document describes the current policy environment, examines the capabilities of the energy sector, outlines objectives and proposes concrete measures for the future.

At the outset, the authors of the Green Paper note the principal constraints and characteristics of the energy sector which may be summarised as follows:

— the country's high level of dependence on energy 'in an international environment where prices and demand are determined by external forces':

— current energy reserves are not unlimited and need 'continuous investments to keep them within comfortable limits';

— investments are 'large, lumpy and risky' and usually take some time to show a return;

— the sector is largely dependent on foreign investment finance 'in an environment of global economic stagnation' and increasing competition for capital;

— the international energy market is in flux, subject to ecological concerns, new and more efficient technologies, new energy products, alternative energies etc;

— large trading blocs are emerging in the world which may serve to regulate international trade.

One might have chosen to add in this section the fact that oil has been subject to extreme priçe fluctuations over the last two decades in comparison with most other commodities. In 1980-81, the price peaked at US$36 a barrel, but by 1992 the average price was running at US$20, despite higher prices in the wider economy. This has made planning, whether for investment or as regards the disposition of future oil revenues, exceptionally difficult. Indeed, it is widely accepted that some of the country's present economic difficulties, notably as regards the public debt, are due to past commitments made on the basis of what turned out to be unrealistic expectations about oil revenues.

The principal conclusion to be drawn from the above is that Trinidad and Tobago's economic prosperity, because it is tied so closely to developments in the energy field, is unusually dependent on factors which are beyond local control. This is a better position than having no resources at all, but it obviously poses a particular challenge to the policy-makers.

In seeking to formulate strategies which maximise the economic and social benefits in these circumstances, the Green Paper speaks of five national goals and objectives. These are to generate increased employment, diversify the production and export structure, generate foreign exchange, maintain a 'revenue stream adequate for steady growth and improvement in the quality of life of all citizens', and develop the technological skills and capabilities of the population.

New policy measures

The paper analyses the current activity and potential of the various energy subsectors and then goes on, in Volume II, to put forward a series of detailed policy measures. The following are some of the most important of these:

Taxation: Restructuring of the tax regime to allow greater flexibility for investors in exploration and production. The role of state enterprises in this area is to be 'urgently addressed'.

Administration: Reorganisation and strengthening of the administrative framework, particularly as regards the Ministry of Energy and Energy Industries. State enterprises are to be restructured and given greater autonomy. Appointments to the boards and management of such enterprises 'will be based on expertise, experience and skills with no reference to party affiliation, past or present'.

Divestment: Private sector participation, both local and foreign, is to be encouraged throughout the energy sector. This includes divestment of 'selected enterprises', reducing 'friction in the climate for foreign investment' and providing greater investment incentives.

Research and development: A single 'institutional framework' (the shape of which is not specified) is to be given responsibility for scientific and technological activity in the energy sector. Energy enterprises will be required to allocate an agreed percentage of total revenue to the institution chosen for this purpose. Joint venture efforts will be actively sought with similar institutions abroad and there will be emphasis on recruiting 'young, outstanding, national scientists'.

The proposals also include a variety of measures for specific energy industries notably in the expanding field of natural gas. And what they add up to is a much more market-oriented approach in which the buzz words are investment (particularly from overseas), rationalisation, restructuring and divestment (although clearly not wholesale privatisation).

Reforms already taking place

It is worth pointing out that the Green Paper reflects a process which is already under way. There are divestment plans on the drawing board, new partners are being actively sought and rationalisation measures, notably in the oil sector, have been implemented. To gain a closer insight into the changes that are taking place, *The Courier* turned to a man who, in many ways, epitomises the new order. *Trevor Boopsingh* was chosen for the task of bringing together Trinidad and Tobago's two state oil enterprises — Trintoc and Trintopec — into a single, efficient entity. The merged company, Petrotrin, is now up and running with Mr Boopsingh at its head.

The new chairman of Petrotrin explained how the operations of the two former companies were to be integrated and rationalised. One of the important initial aims was to find an appropriate private-sector partner from overseas to help breathe the new life into the operation. In a similar vein, he spoke of the recently concluded joint venture with Exxon for deep-mining exploration which is designed to find new sources of exploitable oil. Mr Boopsingh was upbeat about the possibilities in this area, recent studies having suggested that there may be substantial quantities in hitherto untapped (and largely undiscovered) deep reservoirs. He admitted, however, that exploitation of such reserves would prove costly.


The Courier

Energy Minister, Senator Barry Barnes
Dangerous to 'count one's chickens' when talking about new oil resources

The Petrotrin Chairman also outlined plans for the upgrading of oil refinery facilities, pointing out that this was something which had been neglected since the mid 1970s. A loan of US$450m had been successfully negotiated with the Inter-American Development Bank (IADB) for this purpose. This should allow the country to produce refined petroleum products more efficiently in the future.

Senator Barry Barnes, who is the country's Energy Minister, warned of the dangers of 'counting one's chickens before they are hatched' when dealing with the question of new oil resources. Like Mr Boopsingh, he was hopeful that the deep drilling projects would yield substantial new resources but, even so, he thought that the most realistic expectation was for production to be maintained at its present levels.

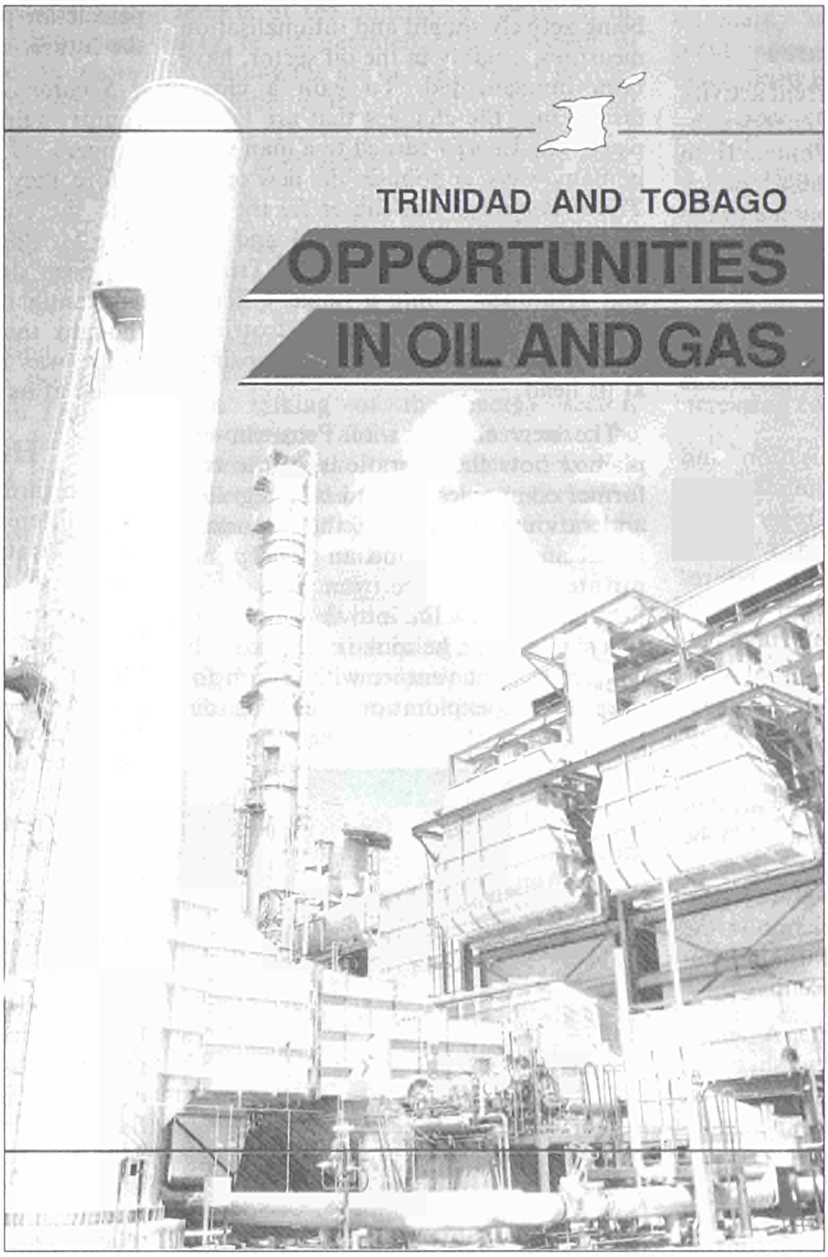
Huge gas reserves

As regards natural gas, the picture is very different. Explaining the government's strategy to exploit this resource further in the future, Senator Barnes pointed to the huge reserves which had been discovered — conservatively estimated at 8.5 trillion cubic feet and possibly amounting to as much as 13.5 trillion cubic feet. The problem, he said, had always been one of viability. Gas has a value of only US$4 per barrel of oil equivalent and, of course, it is less easy to export. This is why, across the world, the least expensive option available to companies producing gas as a by-product of oil is often to 'vent' or 'flare' it (which means, bluntly, that the energy goes to waste). However, Trinidad and Tobago has had considerable success in increasing the utilisation of the gas it produces and the proportion that is vented or flared has dropped from 49 % in 1964 to 24% in 1990. The principal reason for this is the increased use of this energy source in downstream manufacturing activities. The aim for the future is to expand and diversify further in this regard, something which necessarily involves attracting new manufacturing investment. As Senator Barnes explained, the National Gas Company has been given a mandate 'to go out and promote Trinidad and Tobago as gas-rich'. And, in contrast to many developing nations, the country is able to offer the advantages of good infrastructure, political stability (the 1990 coup attempt notwithstanding) and an educated work force.

In seeking to build further linkages between overseas manufacturing investment and the islands' gas potential, one significant success has already been recorded. An agreement has been reached with the Nucor Corporation of the United States, a major steel producer, to build an iron carbide plant in Trinidad. Iron carbide can be used as a raw material in the making of steel but the process is a relatively new one and is not yet fully proven. It is believed that production will be less expensive as well as being more environmentally friendly. Trinidad has been chosen because it is able to offer gas at a competitive rate and because of the island's proximity to Brazil, which is the source of the iron ore. If the venture is successful it could lead to the construction of up to three further plants.

Questions have been raised in some quarters about the extent to which Trinidad and Tobago will benefit from this new investment, given the low price at which the gas is apparently being supplied. Defenders of the arrangement are adamant, however, that the deal is a good one, given the speculative nature of the venture. While it may not yield a great deal in simple revenue terms, they argue that it will provide employment, in both the construction and operational phases. Perhaps more importantly, assuming it is successful, it will serve as a beacon to attract further downstream investment activities to the country.

As regards industries linked to the gas sector which are already established, the Government is keen to draw back somewhat in favour of private sector participation. At present the state has either a majority or a 100% stake in the companies which produce ammonia, urea and methanol, almost all of which is produced for export. The current aim is to withdraw altogether from the first two, if private purchasers can be found, and to attract private capital on an equity basis for the upgrading of the methanol production facility.



Brochure illustrating the new emphasis on marketing Trinidad and Tobago to potential investors in the energy sector

Dynamism... but will it bring growth?

It is clear from the foregoing that there is a new-found dynamism in the energy sector at the moment. The country seems to have recognised that it needs to keep pace with rapidly changing global economic developments and that it has some catching up to do after a period of less than spectacular performance by the predominantly state-controlled enterprises that operate in the energy sector.

There are those who argue that the state is not withdrawing far enough or fast enough and that this alone hinders the drive for efficiency gains. Others dispute this analysis, insisting that the Government must keep a foot in the door, to ensure that the country receives its fair share of the profits. But this classic ideological discussion, which remains a point of cleavage — even in the post-Communist world — between undiluted economic liberals and adherents of the mixed economy, may be missing the point. Of all the changes taking place, the key one is the drive for new investment. In this respect, and irrespective of the state's continued participation in certain strategic areas of the energy industry, Trinidad and Tobago is now clearly open for business. The important question is whether the package it is offering is sufficiently attractive in a world where the demand for private investment far outstrips its availability and in a sector which is notoriously 'high-risk'. There are some promising early indications but in the end it will probably take us to the next *Courier* Country Report on Trinidad and Tobago before we know enough to attempt an answer. ○

S.H.

Emergency treatment for the sugar sector
But is the medicine powerful enough?

'How do you define efficiency?' This was the somewhat unexpected question which *Dr Kusha Haraksingh* posed and then sought to answer himself when *The Courier* interviewed him in the Port of Spain offices of Caroni Ltd, Trinidad and Tobago's state-owned agro-industrial company. Dr Haraksingh is the Chairman of Caroni, and as such he has one of the most challenging jobs in Trinidad and Tobago today — that of ensuring the survival of his company, despite the fact that it operates in a sector which faces serious structural problems.

At the heart of the matter lies sugar, which is Trinidad and Tobago's traditional agricultural mainstay and Caroni's principal product. In harsh economic terms, sugar production in the country is a loss-making activity and is not efficient by world standards. Hitherto, it has survived because it has been shielded by various forms of protectionism — a secured domestic market, a highly advantageous arrangement with the European Community (there is also a small USA quota) and large-scale subsidies from the government.

But things seem to be changing. While the world sugar market is still heavily distorted by subsidies and protectionist measures, the spectre of 'market forces' is looming and the concept of the state as a central participant in economic activity is clearly in retreat. As a result, 'efficiency' has been upgraded from a desirable goal to an unavoidable imperative. Little wonder that Dr Karaksingh should be pondering the exact meaning of the word and its implications for his beleaguered industry. Significantly, he takes the view that it should not be seen in purely economic terms but should also include social and environmental factors. This approach is consistent with his frank assessment that it would probably not be feasible for Trinidad and Tobago to compete at market-determined world sugar prices.

Important for jobs

Looking at the economic and social context of sugar production in Trinidad and Tobago today, the first point to note is that it contributes relatively little in overall GDP terms. Barely 3% of the islands' domestic product is generated by agriculture as a whole and sugar represents just over a third of the total. But it would be a mistake to conclude from this that the sector is insignificant. In fact, more people work in sugar production than in the country's petroleum industries (16 450 and 15 250 respectively) and even if the former still only represent a modest 4% of the total workforce, they are largely drawn from Trinidad's Indian community. The cane farmers are almost all of Indian origin. For both social and political reasons, in a society which is relatively evenly divided between two main ethnic traditions, the special needs and concerns of the growers and of those who work on the processing side cannot easily be ignored by the authorities.

Caroni Ltd is the dominant actor in the sugar industry, which is now highly integrated, both vertically and horizontally. The state company's own estates produced 54% of the sugar cane crop (681 000 tonnes) in 1992, while small farmers cultivated the remaining 46% (611 000 tonnes). The latter are effectively locked into a commercial relationship with Caroni, which has a monopoly in the milling operation. In 1992, its two factories at Brechin Castle and Sainte Madeleine produced more than 110 000 tonnes of sugar from the raw cane supplied. It also has a refinery which can turn out up to 56 000 tonnes of refined sugar annually, as well as a rum division which takes 90% of the molasses produced in the sugar processing operation. Caroni supplies all the islands' domestic requirements and is responsible for managing the EC and US export quotas which brought in TT$119 million in 1992.

Problem of viability

The problem for the company, however, can be summed up by quoting from the recent report of the Tripartite Committee which was set up to consider, among other things, the role of Caroni as a sugar producer and its long-term survival as a viable, workable entity. In the section entitled 'Financial Restructuring' it is reported that 'in order to keep the company afloat, the Government provided deficit financing in every year from 1977 to 1991'. The total subsidy provided during that time amounted to more than TT$2 billion.

It is clear from this that radical measures need to be taken. The Tripartite Committee (representing the Government/Caroni, the cane farmers and the sugar workers) has come up with a set of consensus proposals which have been described as 'a blueprint for a major transformation of Caroni Ltd'. These include a financial restructuring of the company which would incorporate a substantial debt write-off, a major diversification effort into other agricultural products and an increase in sugar production to 125 000 tonnes a year. This last objective would be achieved through a combination of new planting and various measures designed to improve the cane to

Caroni

Mechanical harvesting of sugar cane is increasingly being introduced sugar ratio. Improved varieties of cane will continue to be introduced and an important change in the way that suppliers are paid — by quality rather than purely by weight — is envisaged to reduce the amounts of stale cane delivered for processing. The Committee noted that such a payment method had already been successfully introduced in Jamaica.

The proposals also include a rationalisation of land-holdings and increased mechanisation of the cane harvest (a large proportion of which is still gathered by hand). Of course, the introduction of mechanical harvesters, while perhaps necessary to improve the balance sheet, is also likely to have a negative effect on employment given that harvesting by hand is much more labour-intensive. But this is part of a historical trend affecting agriculture throughout the world and it is difficult to see how it can be resisted.

In the longer term, some of those involved in cane farming would like to see Caroni moving out of cane production altogether, leaving it to concentrate on its processing activities. The Tripartite Committee did not take up this suggestion but they did decide that a cultivation ratio of 60% to farmers and 40% to the company was a realistic and practicable target. This points to increased opportunities for independent growers although a contraction in the overall numbers engaged in cane harvesting still seems unavoidable as further mechanisation is introduced.

Production target strategy

The decision to go for an increase in sugar production is based on what the company believes are reasonable assumptions about the domestic and export markets. The local market is for 75 000 tonnes annually and the extra 50 000 tonnes is similar to the EC quota (47 000 tonnes) which the Community is committed to purchase at a guaranteed price (linked to the price set for beet sugar in the EC). Dr Karaksingh is confident that these preferential arrangements will continue, citing the relatively generous provision recently made for Caribbean banana producers as evidence of the European Community's commitment to its traditional suppliers in the region. Caroni also regards the increased production target as a possible springboard for moving into the wider Caricom market, although the success of this policy will depend on the regional organisation's capacity to establish a common external tariff and a more integrated internal market.

Caroni

Diversification into new areas such as livestock production is seen as crucial to Caroni's future

As regards diversification, the company has, in fact, already embarked on an extensive programme aimed at reducing its overwhelming dependence on sugar. Thus, for example, Caroni now produces rice, livestock, citrus, exotic tropical fruits, cashew nuts and prawns and, although these operations are still on a relatively small scale, a number show considerable promise. The plan set out in the Tripartite Report is for further expansion in these areas 'subject to rigorous tests of commercial feasibility'.

Caroni has also undertaken development work in so-called 'downstream' products from the sugar industry, which include animal feeds, pulp and paper and even building materials (boards made from *bagasse*, which is a cane residue). Dr Karaksingh is enthusiastic about the possibilities arising from the fact that 'the sugar industry exists within a natural gas environment'. It is hoped that the combination of these two traditional Trinidadian resources will open up new commercial possibilities in areas such as feedstock and ethanol production. In keeping with the Government's strategy of attracting overseas investment, the company is actively looking for joint venture partners to take a stake in the development of new products.

Cyanide to cure a headache?

One issue which is not seriously addressed in the report is the extent to which Caroni's efficiency may be impaired by its dominant market position. Indeed, the report actually recommends *extending* the company's monopoly to cover imports of sugar and industrial sweeteners — an approach which is unlikely to find favour with those who regard market dominance and efficiency as mutually incompatible. On the other hand, there is a strong 'economies of scale' argument and, even if one does not accept this, it would seem reasonable to improve the health of Caroni before exposing it to the chill wind of competition. An early decision to end the monopoly could in fact be the equivalent of prescribing cyanide to cure a headache.

The reality of course, is that no one can say for certain whether the medicine prescribed by the Tripartite Committee will be powerful enough to turn the sector around. Some observers from outside the industry are frankly doubtful about the long-term future of sugar production and see continued diversification as the key to the survival of a greatly slimmed-down Caroni. Insiders are no less committed to diversification but they are decidedly more up-beat about sugar, arguing that the need for decisive action has finally been recognised and that the report of the Committee provides a sound basis for achieving the efficiency gains that are required. The thousands of people in Trinidad and Tobago who depend on sugar for their livelihood will doubtless be hoping that the latter prove to be right. ○ S.H.

Profile*

Area: 5128 km² (1980 sq miles)
Trinidad: 4828 km² (1864 sq miles)
Tobago: 300 km² (116 sq miles)

Population: 1 248 000 (1992 estimate)
Density: 243 per km²

Capital: Port of Spain

Government: Republic. Bicameral parliamentary democracy. The House of Representatives has 36 members elected from single-member constituencies by the 'first past the post' method of voting. The Senate is composed of 31 members nominated by the President. 16 of these are chosen 'on the advice' of the Prime Minister and 6 'on the advice' of the Leader of the Opposition. Tobago has its own 12-member House of Assembly with limited powers.

Head of State: President Noor Hassanali

Prime Minister: Patrick Manning (People's National Movement)

Leader of the Opposition: Basdeo Panday (United National Congress)

Party Representation:
House of Assembly (elected in December 1991): PNM 21 seats, UNC 13 seats, NAR (National alliance for Reconstruction) 2 seats;
Tobago House of Assembly (elected in December 1992): NAR 11 seats, PNM 1 seat

Currency: Trinidad and Tobago Dollar (US $1 = TT $4.25 – January 1993)

Inflation: 8% at end of 1992. Forecast to drop to 5% by end of 1993.

* The financial information is taken from 'Review of the Economy 1992' published by the Government of Trinidad and Tobago and from the Economist Intelligence Unit Country Report for Trinidad (and a number of other Caribbean countries), No 1 1993.

	1991	1992 [1]
Gross Domestic Product: (in TT$bn at current prices)	22.4	23.1
Real GDP growth rate	2.7%	0.0%
GDP per capita (in US$):	4312	4358
Balance of payments (in US$m)		
Current account	−17	0
Goods imports	1210	1100
Goods exports	1751	1650
Principal exports (in US$m)		
Mineral fuels	1293	
Chemicals	336	
Manufactured goods	184	
Food	90	
Total labour force	486 100	502 600
Employed	393 600	400 700
Unemployed	92 500	101 900
Unemployment rate	19.0%	20.3%
Government finances (in TT$m)		
Revenue and grants	6757.7	6249.7
Expenditure and net lending	6803.7	6851.0
Overall surplus/deficit	−46	−601.3
Total public debt	11 965	12 640

[1] The figures for 1992 are all estimates.

Opposition leader warns against alienation

The people of Trinidad and Tobago have a strong commitment to democracy but there is a danger of alienation which needs to be recognised. This is the view of *Basdeo Panday*, the leader of the opposition *United National Congress* which holds 13 seats in the 36-member House of Assembly.

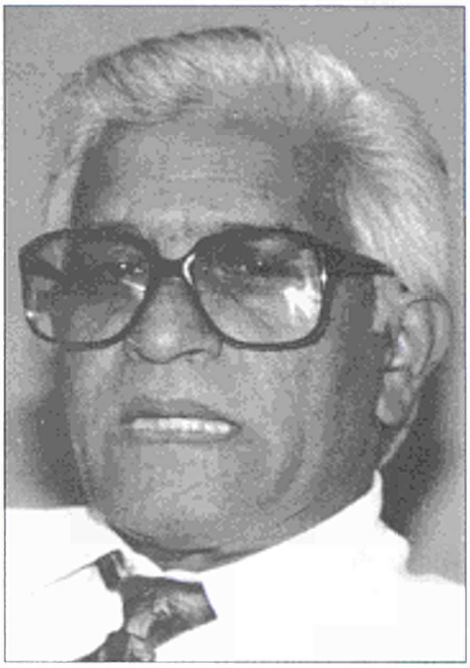
Mr Panday — who is also President of the All Trinidad Sugar and General Workers Trade Union — has long experience of the sometimes turbulent politics of Trinidad and Tobago. Most of his political life has been spent on the opposition benches although he did have a brief spell on the government side, as Foreign Minister, following the victory of the National Alliance for Reconstruction in the 1986 election.

As one would expect in a well-established democracy, the opposition takes a different stance on many of the main economic and political issues and Mr Panday elaborated on a number of these when he spoke to *The Courier*.

On the key question of the economy, the opposition leader expressed reservations about the strategy adopted by the government. He was particularly worried about the implications of trade liberalisation for business in Trinidad and Tobago. With a small domestic market, it would always be difficult to achieve the economies of scale necessary to be able to compete on equal terms and Mr Panday — reflecting his trade union background — was particularly concerned about possible job losses. He stressed the importance of nurturing small businesses as a means of tackling the country's already serious unemployment problem and doubted whether the programme adopted by the government would alleviate the job situation.

Expanding on the subject of unemployment, with particular reference to young people, Mr Panday warned that many of the youth 'are becoming not only unemployed but also unemployable'. He feared that this could lead to 'social upheavals' and expressed the view that the attempted coup in 1990 — and the events which followed it — were due, at least in part, to demoralisation stemming from an absence of job opportunities. He did not rule out the possibility of a similar event occurring in the future although he did believe that the democratic tradition was reasonably firmly rooted in his country. A more immediate problem was rising crime, particularly among young people, and while criminal behaviour could never be excused, nor could it be dissociated altogether from the phenomenon of unemployment. 'If we can deal with the unemployment problem', he concluded, 'that should take care of many of our social problems and the future of the country will be a great deal brighter'.

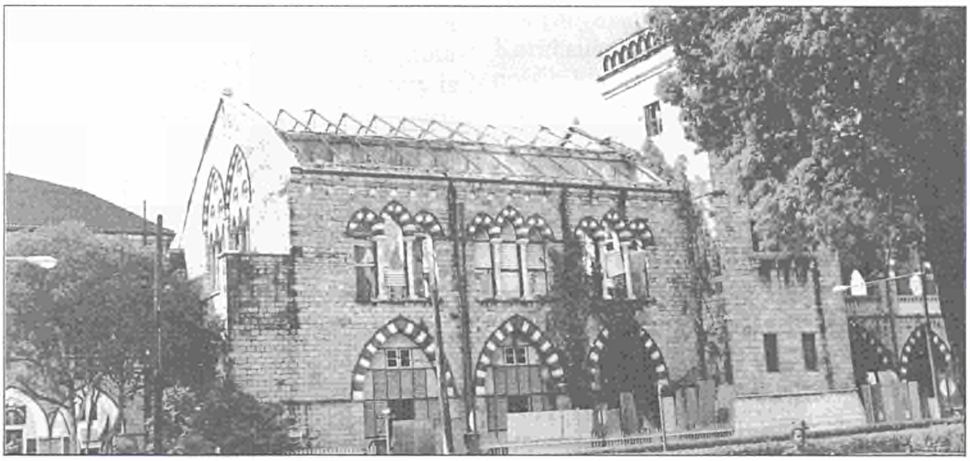
Mr Panday also spoke at some length about the political situation in Trinidad and Tobago. On one specific issue — the judicial confirmation of the presidential pardon granted to the leaders of the 1990 coup (see the main article in this Report) — he took a firm stance. Recognising the dismay felt by many people about the amnesty, he nevertheless felt that 'personal feelings cannot be allowed to overrule the judgment of the court. If the amnesty is legally sound', he continued, 'then we must abide by it whether we like it or not because that is the rule of law and the foundation of civilised society.'



The Courier

In response to a question about the voting patterns of people in Trinidad and Tobago, and in particular the sensitive subject of voting along ethnic lines, Mr Panday admitted that this was something which worried him. He felt that it was bad for the country because when one appealed to the 'primordial instincts of race' it was possible to remove the focus from the issues. As he bluntly put it, 'the government ceases to be responsible for its programmes, because it can do anything it wants, and that is bad for democracy.' He suggested that programmes had been skewed in favour of areas which supported the government and said that this could lead to a dangerous sense of alienation.

He went on, however, to say 'we are lucky in several respects. In Trinidad and Tobago we do not have a history of killing one another because of racial, religious or political differences and our democracy has been able to flourish as a result for over thirty years. It is fortunate for our country that we have not taken that road, and I don't think we ever will — because of the responsibility of the opposition, if I may add,' he concluded with a smile. ○ S.H.



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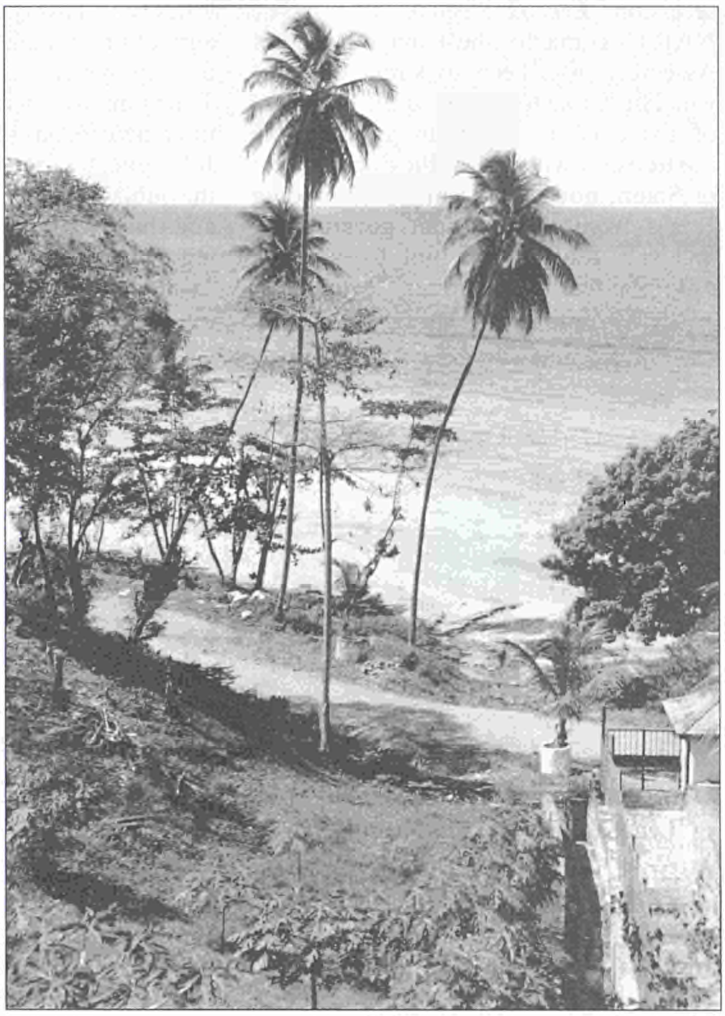
The police headquarters in Port of Spain, gutted during the abortive coup in 1990. The judicial confirmation of the amnesty granted to the ringleaders has provoked public dismay but Basdao Panday argues that the rule of law must prevail

Tobago wants more tourists — but not too many!

'Tobago. Say it softly. The very name holds the music of the sea, the sound of the wind. Tobago is a place that lingers in the memory, a place that people come back to again and again.' [1]

The language of the tourist brochure is easy to recognise as the writer seeks to capture her readers' attention with the alluring images of a tropical island. Look at the section on Tobago in any guidebook and you will be presented with similar imagery. The product currently on offer — top-quality accomodation, good food, uncrowded public beaches, an excellent golf course, a coral reef (which can be viewed from glass-bottomed boats), deep-sea fishing and a natural environment of outstanding beauty — is clearly an exclusive one. Today, the island can justly claim to offer that elusive 'unspoilt' quality which tourists seem to crave. But what about tomorrow? Visitors, when they arrive in sufficient numbers, have an unfortunate tendency to spoil what was previously unspoilt. In this article, we look at how Tobago aims to avoid this particular pitfall as it moves — somewhat belatedly in comparison with other Caribbean destinations — to capitalise on its undoubted tourist potential.

Before discussing this crucial sector of Tobago's economy, however, it is worth taking a brief look at the recent political history of the island. Tobago is frequently described as Trinidad's 'sister isle', for the self-evident reason that the two islands are united under a single flag, but it has to be said that the 'family resemblance' is not immediately obvious. Trinidad, with a land area of 4828 km^2, has more than 1.2 million inhabitants while Tobago's 300 km^2 is home to just 50 000 people. In contrast to the larger island, which has an ethnically mixed population, some 90% of Tobagonians are of African descent. And whereas the Trinidad economy is based principally on hydrocarbons and other energy-related activities, the natural features of Tobago make it an obvious focus for tourist investment, even if this has not been fully exploited in the past.


The Courier

Today, Tobago can justly claim to offer that 'unspoilt' quality that tourists crave. But what about tomorrow?

A sometimes uneasy relationship

The relationship between these two very different islands has not always been a comfortable one. The linkage is dictated by geographical logic (they are separated by only 33 km of sea), historical circumstances (the British brought the two islands under joint administration in 1889) and practicality (Tobago is very small to be a state in its own right) but, perhaps unavoidably when one sibling is larger and more powerful than the other, tensions have sometimes come to the surface. In the decade and a half which followed independence in 1962, Trinidad's oil-related growth was not accompanied by similar economic progress in the smaller island. Infrastructure and social amenities were neglected and, with government services highly centralised in Port of Spain, the Tobagonians grew increasingly resentful of their perceived 'Cinderella' status. This was reflected in voting patterns, and in the 1976 election the Tobago electorate turned away from the People's National Movement in favour of their home-grown Democratic Action Congress (DAC). This party, which was led by former PNM minister *A.N.R. Robinson*, even toyed with the idea of breaking away altogether.

The Government's response to this threat to the country's unity was to establish a Tobago House of Assembly, which first met in 1980. This body was given wider powers than the County Council which it replaced but its scope for autonomous action fell short of many Tobagonians' expectations.

The outlook for Tobago, at least in terms of attention from the government in Port of Spain, improved considerably when the four-party National Alliance for Reconstruction (NAR), which included the DAC, swept to power in 1986. A.N.R. Robinson, who headed the coalition, became the first Tobagonian to occupy the post of Prime Minister. The island's centre-stage position was not to last long, however. In the election which followed in 1991, a revived PNM won a clear majority in the House of Assembly and the NAR, already weakened by defections during its term of office, retained only the two Tobago seats. The political divergence between Trinidad and Tobago was reaffirmed in December 1992 when the NAR won 11 of the 12 seats in the Tobago House of Assembly elections.

Despite this divergence, the current relationship between Tobago and the central government is said to be a

[1] Donna Yawching, writing in the tourist brochure 'Discover Trinidad and Tobago'.

workmanlike one, and few voices are nowadays raised in favour of outright secession. *Lennox Denoon,* who is the NAR Chairman of the Tobago House of Assembly, was keen to stress this fact when he spoke to *The Courier*. He spoke of the need to maintain an amicable relationship with the authorities in Port of Spain, not least because the funding comes from the national government, and said that he did 'not foresee any serious threat to the unitary state'.

plantation system which dominated most aspects of life on the island in colonial times may have passed into history but agriculture remains an important source of employment. Indeed the majority of Tobagonians still rely, for at least part of their income, on either farming or fishing. Job opportunities in other areas outside the public sector have always been limited and this goes some way towards explaining why so many islanders have gone to Trinidad over the years in search of work.

has allowed the country as a whole to look at other Caribbean islands' tourism experiences with a view to avoiding the excesses.

One of the results of this 'moratorium' has been the decision not to enter the mass tourism market. For reasons which are both cultural and environmental, Trinidad and Tobago does not wish to emulate countries such as Bahamas or Jamaica in developing large-scale coastal

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Lennox Denoon, Chairman of the Tobago House of Assembly.
Relations with Port of Spain are 'amicable'

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The House of Assembly building in Scarborough, Tobago.
Talks are under way with a view to strengthening its powers

Limited powers

A closer examination of the Tobago House of Assembly Act of 1980 may help to explain Mr Denoon's pragmatic approach to dealings with the government. It is clear from the provisions of the legislation that only limited powers have been devolved to the island and these relate mainly to the implementation of central government policies. The Assembly has the right neither to levy taxes nor to enact laws of its own and this means that its scope for independent action is extremely limited. Talks are currently under way with a view to strengthening its powers and there is a proposal on the table for an executive council which would be able to put forward legislative measures as long as these did not conflict with national legislation. Mr Denoon also hopes to see his island achieve greater financial autonomy. But in the meantime, Tobago remains highly dependent on central government.

Until relatively recently, Tobago's economy has been based almost exclusively on its agricultural resources. The old

New emphasis on tourism

Given the limited scope for economic diversification in Tobago, it seems surprising that the authorities have only recently decided to encourage development of the island's tourist potential. When the guidebooks talk in glowing terms about Tobago's beauty and tranquility, this is not hyperbole, for it is a truly beautiful place with a natural environment — including the all-important beaches — to rival the best in the Caribbean.

Part of the explanation for the island's late entry into the tourist field may be found in the attitude of the country's first post-independence Prime Minister, Eric Williams, who held office for almost 20 years. He was known to be unenthusiastic about tourism. He was also a very dominant political personality who tended to get his own way. The fact that the country's oil wealth obviated the need to seek tourist dollars made it relatively easy to resist any pressure for such developments.

Tobago may have suffered in the short term as a result of this policy but the delay

resorts. The policy is, instead, for a controlled expansion of the sector with a particular emphasis on the upper end of the market and on so-called 'eco-tourism'. The basic aim is to take advantage of the islands' natural features without exposing them to the risk of damage. And while these plans envisage some exploitation of Trinidad's largely untapped tourist potential, it is clear that Tobago is regarded as an important component in the drive to attract high-spending overseas visitors to the country.

The Courier discussed the current state of tourism in Tobago, as well as future plans for the sector, with *Carlos Dillon,* who is the dynamic General Manager of the Mount Irvine Bay Hotel and Golf Club. He also serves as Vice-Chairman and Representative of the Tobago House of Assembly on the Board of Directors of the Trinidad and Tobago Tourism Development Authority.

Mr Dillon, who is a Tobagonian himself, began by stressing the importance of avoiding overdevelopment on an island which is only 40 km long and 10 km wide. As he bluntly put it; 'If tourism is not properly planned, it can destroy what we have to sell'. At the same time, he underlined the need for a 'critical mass' to ensure viability. He pointed out, for example, that the island's present tourist industry is heavily reliant on Trinidad and Tobago's national airline, BWIA, which is the only operator offering direct services between Tobago and Europe. BWIA is under financial pressure in the new liberal economic climate and there is genuine concern about the future of these services, which are struggling to show a return. The possibility of persuading foreign airlines to add Tobago to their route network is being investigated but the underlying problem remains one of profitability. As Mr Dillon points out, there are too few hotel rooms in Tobago relative to the aircraft seats which must be filled to make long-haul operations attractive.

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Carlos Dillon, pictured above with members of his staff, is keen to see new tourist investment in Tobago. Below, the steel band of a local high school entertains hotel guests at dinner

The Courier

Achieving a 'critical mass'

The policy, therefore, is to increase the number of rooms to achieve 'critical mass' without reaching a situation where the island might be swamped by tourists at certain times of the year. The generally agreed upper limit is 2500 hotel rooms (approximately 5000 visitors at any one time). Tobago currently has just over 900 hotel rooms concentrated in three or four major resort hotels and, while this represents an increase of more than 20% over the last five years, significant further investment will be needed to reach the ceiling which has been agreed. As regards associated infrastructure, new hotels and related facilities could bring wider benefits to the island in the form of improved water and sewerage facilities and upgraded roads, as well as new jobs. Despite the fact that his operation currently has a monopoly in the provision of golf on the island, Mr Dillon would be more than happy to see two or three new golf courses since this would increase Tobago's attractiveness to enthusiasts of the sport — including, presumably, wealthy Japanese businessmen!

In practical terms, with the state progressively withdrawing from 'normal' commercial activities, all this points to a need to attract new private-sector investment. Mr Dillon is hopeful that this can be achieved and argues, in particular, against bureaucratic constraints which, he believes, stand in the way of potential developers. He thinks that the Government should introduce a 'one-stop shop' system in order to facilitate new hotel investment. This is a view echoed by *Ishwar Galbaransingh*, the owner of the Grafton Beach Hotel, who was also keen to stress the job creation aspects of new developments. It is interesting that both of these men, who are involved in established tourist enterprises, should be calling for expansion; which presumably would mean increased competition. Such views add considerable weight to the 'critical mass' concept mentioned above.

Perhaps the main problem to be overcome in expanding tourism in Tobago is that the sector is in something of a 'chicken and egg' situation. If there is to be growth, potential entrepreneurs must be convinced that there is a market — but this is difficult to prove when the available accomodation is so limited. There also seems to be little point in spending large sums on advertising in Europe or North America until the flights and facilities are increased and yet, without advertising, it is difficult to see how the growth can be engendered.

Of course, this is a dilemma which is not unique to Tobago or, indeed, to the tourist sector. It is something which any provider of goods or services must face in a free and competitive market. The message from Tobago (and Trinidad) at the moment is that there is an opportunity in tourism for entrepreneurs who are willing to take the risk and put their money into a high-quality product. Those who leave it too late, however, could end up missing out altogether, for it is clear that the authorities will not allow Tobago to be spoiled by uncontrolled tourism growth. In short, and at the risk of mixing poultry metaphors, there is no intention of 'killing the goose that lays the golden eggs'. The lesson for the putative investor at this stage may well be that 'he who dares, wins!'○ S.H.

Cooperation with the European Community

by Veit NIED *

Trinidad and Tobago, which is the southernmost of the Windward Islands in the Caribbean Sea, and a preserve of the Westminster parliamentary system, was one of the original Lomé Convention signatories in 1975 and one of the first countries to ratify the fourth Lomé Convention in April 1990.

In view of its relatively high income ***per capita,*** *the country is not eligible for assistance from some of the more important sources of cooperation.*

The European Community, fully aware of the difference between average ***per capita*** *income and the increasing group of lower and lowest income brackets in the country after the first oil crisis in the mid-1970s, has been engaged in cooperation from the advent of the Lomé system in 1975.*

It has to be understood that the country, which, for many years, was one of the financiers of its less well-to-do Caribbean neighbours, has had some difficulty in realising that it itself might be in need of help. Let us not forget that similar situations are emerging nowadays in European countries which hitherto have been seen as locomotives of economic growth but which now appear to be 'running out of steam' for various reasons. But there is always the hope that matters can be improved.

As regards Trinidad and Tobago, cooperation under the Lomé Convention has recently gained momentum and we can look forward to a thriving, working relationship.

Since 1976, the country has received allocations of ECU 52.8 million from the European Development Funds set up under the four Lomé Conventions. 75% of this has been in the form of grants. In addition, Trinidad and Tobago recently received a grant of ECU 3m as a first instalment for structural adjustment support which is designed to help mitigate the negative impact of adjustment measures on the most vulnerable groups of the population.

Sugar and rum protocols

On the basis of the Lomé sugar protocols, Trinidad and Tobago has had since 1986/87, an agreed annual quota for white sugar exports to the EC of 43 751 tonnes. Since the sugar protocol first entered into force in 1975 (Lomé I), the country has benefited on average, to the tune of ECU 23m annually in foreign currency earnings from sugar exports. The additional revenue generated as a result of the fact that EC prices have been higher than world prices has averaged some ECU 10m a year. The country also continues to benefit from the rum protocol.

Regional cooperation

Under the European Community's regional cooperation programmes amounting to ECU 154.6m in the first three Lomé Conventions, the following major projects have been of particular interest to Trinidad and Tobago:

— Facilities for the University of the West Indies;

— The Eastern Caribbean States Export Development Agency;

— The Caribbean Regional Trade Promotion Programme;

— The Caribbean Agricultural Research and Development Institute;

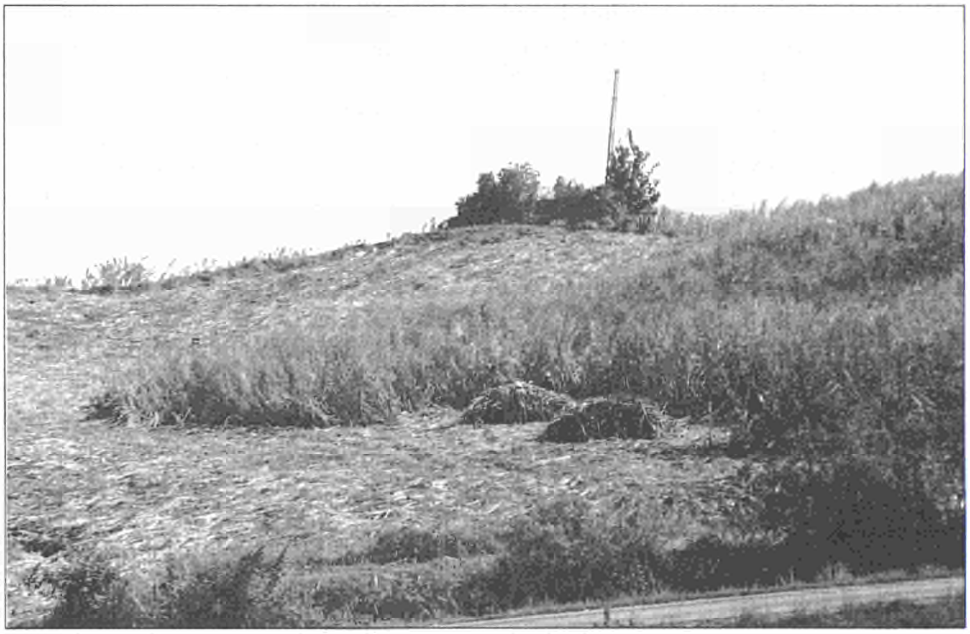
— The Regional Hotel Training Programme.

National indicative programmes

By the end of 1992, financing decisions had been made for 91% of the EDF-financed allocations under the first and second Lomé Conventions. The projects concerned focus on rural development, human resource development and trade promotion.

Lomé I

Under Lomé I, more than 60% of the allocated EDF resources (ECU 6.3m out of a total of ECU 10.3m) are being used to fund the St Patrick water supply project. This project is aimed at improving the water supply system within the county of St Patrick in south-west Trinidad, to meet the demand from domestic and other water users in the year 2000. It includes the supply of pipes, fittings, ancillary equipment and pipe works as well as the construction of eight water tanks. The Lambeau Hill water supply on the sister island of Tobago has also been extended and refurbished. The St Patrick


The Courier

Sugar cane fields in central Trinidad
The country has benefited from having guaranteed markets in Europe under the Lomé sugar protocols

* Economic adviser, European Commission Delegation, Port of Spain.

timber project has involved the upgrading of a teak and pine nursery and plantation through road construction and the supply of equipment and tools. Some 20% of the Lomé I funds have gone into human resource development — scholarships and long-term assistance for two technical education institutes in Port of Spain and San Fernando and the transfer of know-how and technical equipment relating to the metal industry. In addition, technical assistance programmes in respect of forest road construction, industrial research and metal industries have been implemented.

Among the studies which have been carried out include one related to the feasibility of blending fertilisers with local raw materials and another concerning the aforementioned St Patrick water supply project.


John and Penny Hubley

Trainees in machine tool making and precision metal-work
Lomé funds have been used to assist in technical education and other forms of human resource development

Lomé II

Under the Lomé II allocation of ECU 10.5m, rural development, trade promotion and human resource development are of major interest. The programme includes, among other things, the funding of a feasibility study for the agricultural development (drainage and irrigation) of the Oropouche Basin as well as a study of an irrigated rice development scheme at Plum Mitan in eastern Trinidad. The level of goat meat production is being improved through the establishment of a goat breeding station, training, and the importation of breeding animals.

A major project benefiting trade promotion involves the provision of long-term technical assistance for the enhancement of exports by the Export Development Corporation. Over a two-year period, technical assistance has also been provided to the Tourism Development Authority for the upgrading of its operations and the reinforcement of joint promotional support activities with tour and hotel operators and airlines.

In the area of human resource development, the approved project funds amount to ECU 5.1m or more than 48% of the country's Lomé II allocation. The main projects include the multi-annual training programme where, to date, more than ECU 2.1m has been spent. This covers continued technical assistance, including training and equipment, to the technical institutes in Port of Spain and San Fernando and to the Ministry of Energy and Energy Industries as well as assistance for technical management training through specialised in-country seminars and overseas awards.

Other major interventions of the fifth European Development Fund under the country's Lomé II National Indicative Programme include contributions to the implementation of two micro-project programmes benefiting basic social and economic infrastructures in urban and rural areas, and a study concerning the restoration of quarry sites and river basins which is of relevance from the standpoint of both the environment and tourism.

Lomé III

Under the sixth European Development Fund, ECU 15m was allocated to the country for funding the Lomé III National Indicative Programme. It includes ECU 1m for the second phase of the above-mentioned tourism development programme including the upgrading of the existing Carnival Museum at Fort St George and at Fort San Andres in Port of Spain.

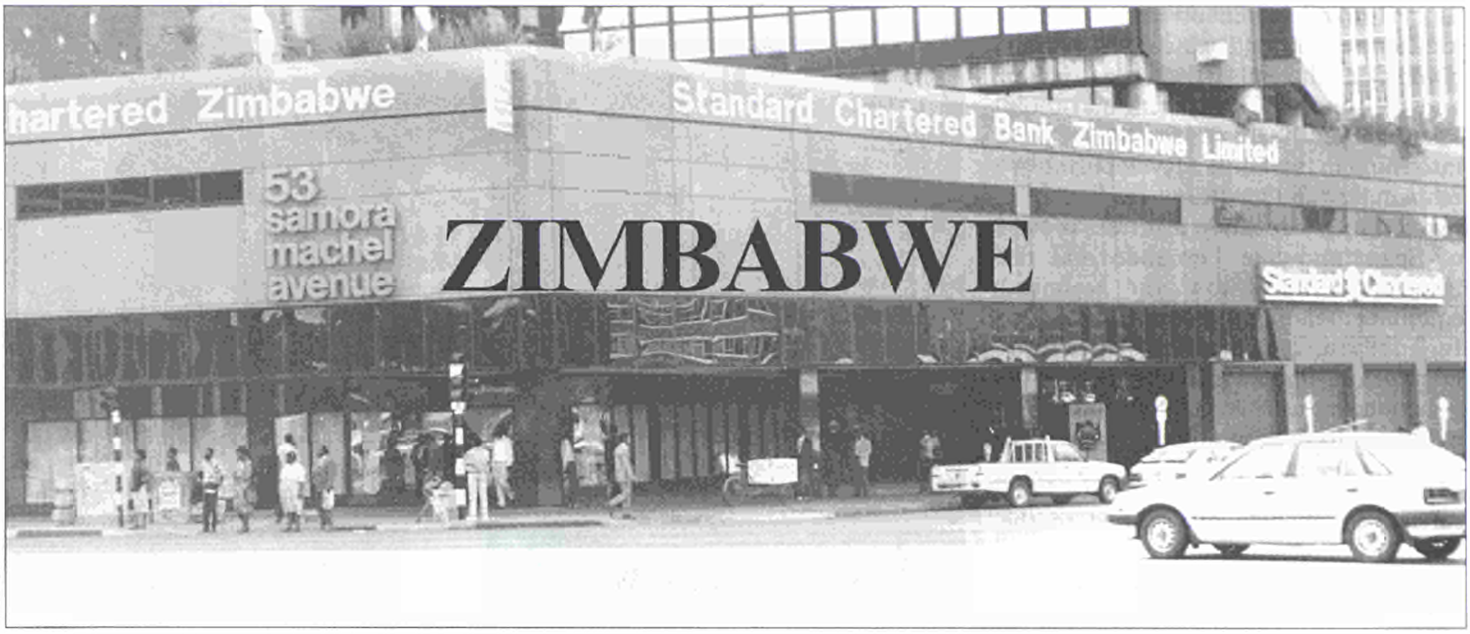
ECU 0.7m has been earmarked as funding assistance to the relevant national authorities, taking the form of computer hardware and software as well as training for the upgrading of the national development planning process.

Looking to the future

In December 1991, the country elected a new Government. During 1992, it carried out a new programming exercise for the unused balances of the National Indicative Programmes under the second and third Lomé Conventions, and for the allocation of ECU 17m made available under the fourth Lomé Convention together with the earlier mentioned first tranche of ECU 3m for a Structural Adjustment Programme. The Commission has agreed recently to a new programme and the necessary steps are now being finalised in order to commence project implementation shortly. Road rehabilitation, rural development and private sector development are the relevant focal areas which have been targeted. In addition, NIP funds will be used to provide complementary financing to structural adjustment operations and to fund a number of non-focal operations.

These recent developments appear as encouraging signs that cooperation between the European Community and Trinidad and Tobago is now taking place under conditions which should ensure a high project performance rate in the coming years. This can only be to the benefit of the country, in both social and economic terms. ○ V.N.

ZIMBABWE



The Courier

The old and the new rub shoulders in downtown Harare: a bastion of the market fronts on a street named after a revered champion of socialism

Economic upheaval, political inertia

Zimbabwe is a country with many blessings: abundant natural resources, well-developed infrastructure, a farming sector which normally produces a healthy surplus for export, and a diversified manufacturing base. There is a constitution which provides for a multi-party democratic system, a free press and freedom of religion. The population is well educated and the country is at peace. Relations with neighbouring countries are, given the difficult circumstances in some of them, relatively good, and Zimbabwe holds a respected position in world affairs. Tourists are attracted in large numbers by its many natural beauties. Yet disillusionment among the people is widespread, the hopes of many seem to have taken a severe battering and some even say they are beginning to wonder what the country has to show at all for the policies of the last 13 years. What is going wrong?

Drought strikes

The first impression is that Mother Nature is partly to blame for this sense of malaise: last year she played one of her periodic dirty tricks on the whole of Southern Africa, with a drought worse than anything the region had experienced in living memory, and Zimbabwe suffered severely. The Minister of Agriculture, Kumbirai Kangai, describes the effects as devastating: the grain intake in some areas was completely wiped out, and the country produced only 12 000 tonnes of maize in the year, as compared to a normal yield of 1.5 million tonnes. The cotton crop on which the country's substantial textile industry depends was insignificant, leaving both growers and manufacturers empty-handed (about 45% of jobs in the textile industry have been lost as a direct result). Tobacco, a major foreign-exchange earner, surprisingly produced a record yield but the quality was low, so prices fell. With no crop and hence no income, many peasant farmers had nothing to feed their families on or to buy inputs with for the following season.

Reservoirs and some rivers dried up, for the first time ever in certain cases, so that water rationing had to be introduced and at one point it was even feared that the population of the second-largest city, Bulawayo, would have to be evacuated to rural areas in search of water. The Minister had to ban irrigation so that water stocks could be kept for humans and livestock. Even so, about 25% of the head of cattle were lost, depriving many small farmers of draught power to cultivate their land and transport their produce. As much of Zimbabwe's electricity supply is generated from hydro-electric power, there were also frequent power cuts to domestic and industrial consumers, to conserve energy. This had a particularly severe effect on the mining sector. Altogether, gross domestic product was some 11% down over the year as a result of the drought, according to World Bank figures, and the fall in manufacturing output is estimated at about 15%.

Rapid response

The Government acted very swiftly at the beginning of 1992 when the rains failed. The communal areas, the former tribal trust lands reserved to black peasant farmers, were the most at risk, since the only source of income for most farmers there is growing maize for sale to the parastatal Grain Marketing Board — and the areas are home to 60% of Zimbabwe's population. To avoid mass starvation when the country's grain reserves were almost exhausted in March last year, the Government set up machinery to import maize from the Americas. 'If we hadn't had that,' Mr Kangai says, 'what you saw in Somalia would have been nothing.' The imported maize, coming in at the rate of some 7000 tonnes a day, cost nearly twice as much as what the GMB usually paid Zimbabwean farmers for their crop, which put the price of maize meal up and made it necessary to subsidise the consumer price by about 45%; and in rural areas where farmers were destitute the Government supplied food free of charge. Cotton lint and wheat were also bought in from abroad. Where there were water shortages, boreholes had to be drilled and supplies ferried to villages, hospitals and clinics by tanker lorry, a very expensive operation. A pipeline was constructed to bring water to Bulawayo from a newly discovered aquifer 45 km away.

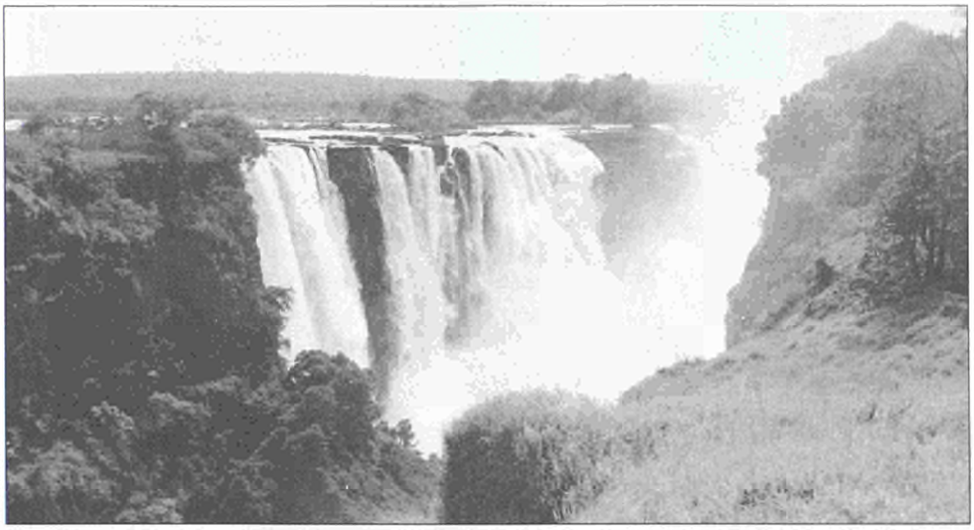
An urgent appeal for help was made to Zimbabwe's international donors, who rallied to the call. The European Community sent in some 80 000 tonnes of food aid. These consignments and the purchased grain were distributed throughout the country by the Government, which also set up feeding pens and a breeding programme for livestock. Seed and fertiliser packs were supplied to peasant farmers in need so that they could plant for the next season. These efforts continued until the 1993 harvest came in at the beginning of April, and the Zimbabwe authorities have received commendation at home and abroad for the efficiency of their year-long drought recovery programme.

As for the future, the rains, providentially, have been good this year, alternating with sunshine to produce ideal conditions for growing tobacco and putting the main food crop, maize, well on the road to recovery. Some 1 million tonnes are expected to be delivered to the GMB this season, and Zimbabwe should return to its traditional self-sufficiency in food. Industries which depend heavily on agriculture will, of course, need more time to catch up, and the full effects of improved agricultural production are not expected to work through the economy for a least a year. All in all, then, although 1992 was a year of near-disaster for Zimbabwe's productive sectors, the patient is already back on his feet and should soon be walking at least as sturdily as before.

And yet there is still a climate of apathy and discontent in the country. It obviously cannot be ascribed to the hardships of the past year alone. So we must look further, to the wider economic and political context. And there is a case for going some way back.

The land question

When Zimbabwe achieved independence in 1980, the two wings of the then Patriotic Front, under their leaders Robert Mugabe and Joshua Nkomo,



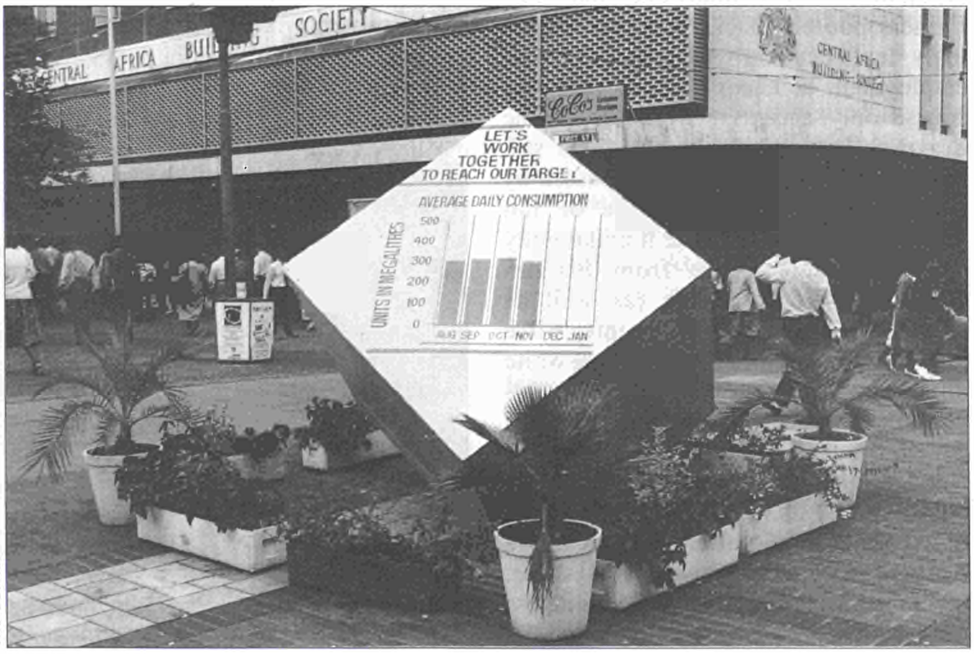
The Courier

The rivers are back in spate — here the Zambezi tumbles into Zimbabwe at the famous Victoria Falls...

won the country's first free elections on a platform which included a number of promises. Zimbabwe's ethnic groups, the Shona, the Ndebele, some smaller indigenous tribes and people of European descent, were to be reconciled and work together in partnership and harmony for the good of all. All racial segregation would end, and everyone was at last to enjoy the same access to health, education and social welfare facilities. The white minority's grip on the productive sectors of the economy was to be loosened. Above all, land was to be distributed more fairly, for the benefit of the black farming communties crammed into poor communal lands inherited from the colonial period. Of the 80 seats reserved for the black electorate in 1980 (20 were at the time reserved for whites), the nationalist parties, based on former guerrilla movements, led by Mr Mugabe and Mr Nkomo won 57 and 20 respectively. This represented a combined 87% of the vote in a turnout estimated at 94%, an unassailable mandate for carrying through the Patriotic Front's avowedly socialist programme.

Severe damage had been done to agriculture, health and education in the countryside during the war of independence, and the challenge was faced resolutely. Educational opportunities for blacks since independence have greatly increased, and considerable improvements have been made in social welfare

... but the country only got through last year's drought with strict water rationing



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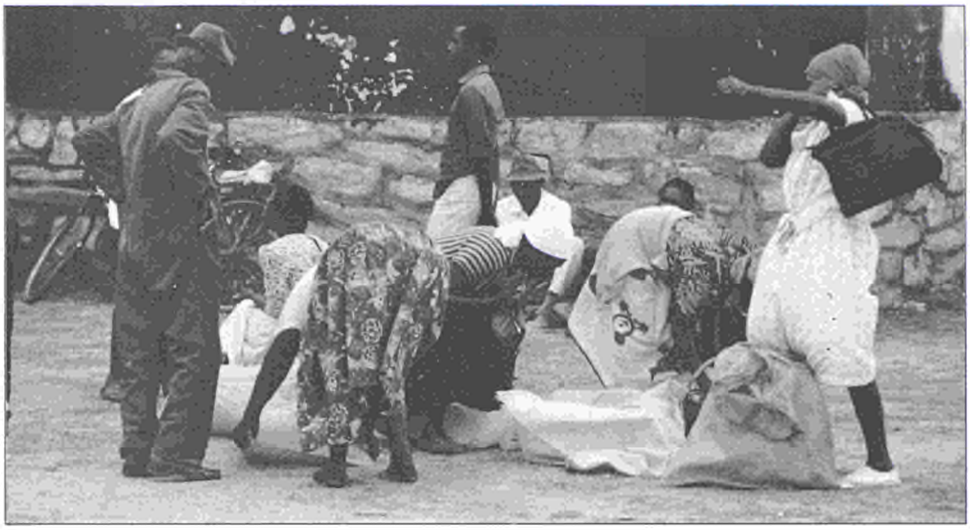

The Courier

Peasant farmers collect Government-distributed grain in drought-stricken communal land in Mashonaland East

provision. Legally entrenched racial discrimination has been swept away. But the major issue for all sections of the population and all ethnic groups has, many observers say, still not been effectively addressed: the question of who owns the land.

This is a very old story. In 1930 the British colonial administration passed a Land Apportionment Act which divided the country into two racially exclusive parts of roughly equal size. The vast bulk of the population, who were black, were given the half containing all the poorer farmland, including semi-arid areas from which only a subsistence living could be scratched. Whites were able to set up flourishing commercial farms on their fertile share of the land, which also had the better climate. As the white population inevitably became richer and black farmers poorer, blacks became increasingly dependent on whites for food and employment as cheap labour, which of course only accentuated the economic disparity between the two groups still further. The Land Tenure Act passed by the illegal secessionist regime of Ian Smith in 1969, shortly after it unilaterally declared independence from Britain, confirmed the economic (as well as political) subjection of the country's five million blacks to its 200 000-strong white minority. The Patriotic Front's programme at independence included pledges of rural resettlement to redress the balance, and the departure from Zimbabwe of half its white population in the first four years after independence cleared the way, in the most literal sense, for substantial resettlement of landless peasants on former commercial land.

There was an important restriction on the new government's freedom of movement, however. The Constitution for the new Zimbabwe agreed at the pre-independence talks at Lancaster House in London stipulated that the Government could acquire land compulsorily for resettlement up to 1990 only if it was underutilised; otherwise land could only be bought from willing sellers. The Government's first development plan envisaged resettling 162 000 families by 1985, but the costs involved were such that only a quarter of the target figure was achieved. Subsequent legislation gave the Government greater influence over the price of land purchase and the right to repossess land held without freehold title. Last year the adoption of a land acquisition act greatly widened the scope for farmland purchase from commercial farmers by Government, but the act has not so far been used.

Whites dominate commercial farming

Meanwhile the number of white farmers has dropped from 6700 at independence to about 4000, but very few black farmers have penetrated the commercial sector. Overpopulation and soil erosion through overuse are making the hunger for land in the communal areas ever more acute, but the hard reality is that the country depends for its economic prosperity on efficient agriculture, which means agriculture conducted on a commercial scale on productive land with good rainfall by farmers with appropriate experience. Under these circumstances, no government would be keen to encourage the people who feed the growing urban population and fuel industry and trade to abandon their activity, whatever the claims of equity or ideology.

So white farmers still own half of Zimbabwe's farmland and wield the wealth and influence that go with it. Not all of these farmers have an equal holding, of course: one tenth of them hold three fifths of the commercial land. In fact half of all agricultural production in Zimbabwe comes from only ten per cent of the farms. Four fifths of agricultural production which goes on the market in the country comes from the largely white-owned commercial farms. Among black farmers, too, there are disparities: most of the marketed output from communal areas is produced by a

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It all comes back to the land: 60% of the population still lives on comparatively unproductive land inherited from colonial times minority in the Shona areas in the northeast.

Feelings run very high on this issue, and the Minister of Agriculture, Mr Kangai, says the Government has delayed implementing land redistribution under the new Act only because it has been too busy fighting the drought to do it at once. An interministerial team has toured the country with commercial farmers identifying underutilised, unutilised and derelict land for acquisition. 'Every business person in this country,' he says, 'including the farmers, are worried by population pressures in the communal areas. If the people there continue to live in the way they are living now, some day we will have a problem on our hands.' So from June 30 this year, after the harvest, the Minister says the Government will be able to start acquiring land and resettling peasant farming families on it. But commercial land which is being farmed productively will remain in present (white) hands, and there are no plans to reduce the share of GDP accounted for by agriculture — quite the opposite, says the Minister: 'We would like to maximise this resource.'

There is also resentment among the majority population of the white domination of other sectors of the economy. For example, a Member of Parliament sitting for the ruling party, ZANU-PF, in a rural constituency, Lazarus Nzarayenbani, says: 'In this country the whole economic structure is controlled either by the multinational corporations or by white Zimbabweans — business people, industrialists or those who own the land — and really there is nothing for us at all.' Many of the largest firms in the country are subsidiaries of British or South African companies, while white residents own and control others. Bill Moore, the President of the very powerful Confederation of Zimbabwe Industries, CZI, is an expatriate Briton. State participation in enterprises has not been as extensive as the ruling party's original commitment to socialism had led its supporters to hope.

Socialism discarded

In fact that commitment has, in the last three years, been completely and very publicly dropped. The latest development in years of fluctuating economic policies and erratic performance was the switch from the official ideology of Marxism-Leninism to free market capitalism in 1991. Like a number of African countries reeling from the effects of falling commodity prices, hefty debt payments and the cost of maintaining a bloated public sector, Zimbabwe had (in October 1990) agreed to apply an Economic Structural Adjustment Programme (ESAP) at the prompting of the World Bank. The planned economy was to be discarded and markets liberalised progressively over five years to 1995.

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Byron Hove, member of the National Assembly: 'I celebrated from the rooftops the collapse of the centrally controlled economy'

There was loyal support for this about-face within the ruling party, for example from Byron Hove, Member of Parliament for a heavily populated rural area in the south of the country. 'I am one of those,' he says, 'who celebrated from the rooftops the collapse of the centrally controlled economy under the guise of socialism. It brings about lethargy, corruption on an unprecendented scale, and generally it becomes impossible for the commercial sector, even the farming sector, to be motivated. Prices are not competitive or realistic. It's generally not conducive to development.' How these views were accomodated in the party *before* the change of policy is not easy to understand, unless the views of the rank and file were simply disregarded by its leading figures. At all events, in an interview elsewhere in this Report, Senior Minister Bernard Chidzero, seen as the chief architect of Zimbabwe's economic policies since independence, now says: 'We have accepted market forces. The ideological background is finished, in terms of socialism and so on.' Dr Chidzero's account of the state the country was in when the Goverment decided to go for structural adjustment seems to suggest that it abandoned the ideology because socialism was simply not working. It had just been discredited, after all, in the Soviet Union and its satellite states in Europe.

Cynical commentators suggest that ZANU-PF's belief in socialist ideals may never have been very firm. Certainly, for a party claiming to represent the interests of peasants and workers, it is surprising that when consulting on ESAP before the programme was adopted, it turned not to the trade unions but to the employers to find out what they wanted. The Secretary-General of the Zimbabwe Congress of Trade Unions, Morgan Tsvangirai, says: 'One of the most serious omissions in the structural adjustment programme was the lack of wider consultations with various interst groups. Government tended to have this secretive approach, so what the trade unions tended to do was react to the programme rather than make inputs.' Industrialist Bill Moore of CZI, on the other hand, says his Confederation was consulted extensively before ESAP was put together and was in fact one of the main architects of the gradualist approach Zimbabwe has adopted. Nor was there any political need for lengthy discussion of the policy changeover in the National Assembly, in order to secure approval from the representatives of the people: ZANU-PF holds all but three of the 150 seats.

Structural reforms

At any rate the programme is now in place and making some headway, despite hold-ups owing to the drought. A consultative group meeting of Zimbabwe's 15 donor countries organised by the World Bank in Paris in December 1992 heard that overall progress with reforms had been reasonably good, and a review of progress is given in the interview with Dr Chidzero. At the same time, however, the effects of drought on agriculture, and hence on related industries and the general population, caused severe problems. Worker lay-offs, known in Zimbabwe as retrenchments, the loss of farmers' earnings and steep price rises, particularly on foodstuffs, led to a fall in consumer demand in 1992, so manufacturers had to reduce production and unemployment consequently rose.

The dangers of this for industry are spelled out by Bill Moore, who admits that companies set up to make import substitution products during the sanctions period produce inefficient, average-quality goods and will have to adjust, but, as he puts it: 'Unless we're given a period of transition, where there's some degree of protection, then we are going to get a process of deindustrialisation, and that's the great fear of structural adjustment. In New Zealand, for example, they de-industrialised almost overnight.' He warns that to be competitive industries must reduce overmanning, and is highly critical of some of the parastatals, believing, for instance, that the Minerals Marketing Corporation, which has the exclusive right to handle sales of all minerals except gold, and the National Oil Company, which imports all oil and fuels (vital in a country with no oil of its own), isolate the producer from the market and perform no useful function at all. Industry is also suffering from high inflation, exacerbated by the devaluation of the Zimbabwe dollar in September 1991, and the introduction of positive interest rates after a 30-year tradition of negative interest rates on loans to industry both before and after independence. If cuts in government spending were to keep pace with monetary policy, Mr Moore believes, matters would improve: 'No one would argue if Government was spending a lot of money on capital projects and increasing the wealth of the country from that point of view, but most of it's going on recurrent expenditure, and most of that is salaries.'

Workers' living standards fall

From the workers' side, Mr Tsvangirai of the unions concedes the point about parastatals but notes that 25% of Zimbabwe's labour force are unemployed and calls for government resources to be put into public works such as building health facilities and roads in rural areas, to create jobs there and keep people from drifting to the towns. The recent inflation rate of 47% and wage increases averaging only 15% have brought a dramatic drop in ordinary people's living standards and there is no proper social safety net to catch those suffering hardship as a result of ESAP. He sees the agricultural base as the key to the economic development machine and says investment should be concentrated on irrigation and water conservation schemes. Peasants, he says, work very hard if they are given the proper incentive — which brings us back to land redistribution: 'If we don't have a land reform programme in this country, politically it will be suicide.'


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Bill Moore, President of the Confederation of Zimbabwe Industries: 'Deindustrialisation is the great fear of structural adjustment'

Mr Tsvangirai's views on land ownership are very strong. On a recent change in the law, whereby government ministers may now acquire land, he says: 'It is the most hypocritical position taken by the Government and the ruling party. I think it is the Achilles' heel of ZANU-PF. The people are now asking it: 'What did we fight for? Why did people die for independence? The whites still control the larger portion of the most productive land, and you have joined them to buy farms in the very same areas and we are still in the rural impoverished areas."

On the ownership of other assets, a characteristic view of those opposed to wholesale privatisation of parastatals comes from an anonymous commentator writing in The Herald, the main Harare daily newspaper, on 8 January this year, who said: 'Proponents of wholesale private ownership and privatisation of parastatals hide behind such terms as profitability and efficiency. Yet for the majority blacks there is the real issue of ownership here. (...) Blacks rightly or wrongly see an element of racism in the cacophony for privatisation which would transfer ownership mainly to one minority race of the community or to wholly-owned white companies outside the country. (...) The ZANU-PF Government will of necessity have to further open up the economy. It, however, has to do so with great caution. People did not support the struggle or die in it to give the country away to foreign multinationals.'

The picture that emerges is of public disappointment with a government that is seen as giving in too easily to pressure to part with assets it was thought of as holding in trust for the people. There is general unhappiness about a reform programme which seems to be hitting the poor hardest. Mr Nzarayenbani of the National Assembly says that the economic changes and inflation are causing his rural constituents severe hardships. 'There's no way they can buy basic foodstuffs,' he claims. 'And they are asking me: Is this what they fought for?'

Defending price rises

A defence of steep price rises which hit both industry and ordinary people comes from Dennis Norman, Energy and Transport Minister, who explains that because of abundant hydroelectric power from the Kariba Dam Zimbabwe used to have some of the cheapest electricity in Africa. Many big industrial complexes were actually established on that basis. However, looking to the future, Cabinet has approved plans for expanding into thermal power stations, to take advantage of the country's large reserves of coal and reduce dependence on unreliable rainfall. And, as Mr Norman puts it: 'You cannot go onto the international finance market and look for finance for projects of this scale and magnitude if you are going to subsidise the end consumer. When you can demonstrate to them that you are selling your energy at an economic price, then you can attract development money.' The adjustment required to consumer tariffs to make them reflect the actual costs of generation brought staggered increases of 25% in September last year and 41% in December, with another hike due in June. The Electricity supply


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Morgan Tsvangirai, Secretary-General of the Zimbabwe Congress of Trade Unions: 'If we don't have a land reform programme in this country, politically it will be suicide'

Authority is, as a result, no longer losing money. But the citizen feels the impact directly in his pocket and does not feel grateful.

The Paris Club meeting in December, while urging structural reforms to make parastatals more efficient (and other measures to facilitate investment in general and expand exports without exacerbating the fiscal deficit), showed a concern for the difficulties people in Zimbabwe face while ESAP goes through. The World Bank's report for the meeting recommended that, to shield the poor and vulnerable groups more effectively, there should be continuing targeted food subsidies, expanded job-training and programmes to create employment in small-scale enterprises, faster processing of exemptions from school fees for the less well-off and a full scheme for providing free health care to the poor.

The fact that the World Bank drew the Government's attention to these needs lends credibility to the claim by one of the Government's critics, Jonathan Moyo, in another article in this Report that it was the Washington body which originated the idea of a social dimension fund to accompany ESAP. With its overwhelming majority in the National Assembly, the ruling party is accused by some of overlooking those who voted for it when they most need help. Morgan Tsvangirai of the Zimbabwe Confederation of Trade Unions sees a disturbing trend emerging: 'One can talk in terms of a shift towards removing the middle class into the lower class and the creation of two, not three, structures. That is dangerous, because without a middle class you can't have any development. People are being pushed down further, and that tends to create a lot of political tension.'

No rivals...

So it seems clear that ZANU-PF, after 13 years in power, first as the Shona-dominated ZANU of Mr Mugabe and then in alliance with Mr Nkomo's Ndebele-led party, ZAPU, is at a very low ebb of popularity. Yet there is no serious rival for power on the horizon. Veteran politicians like Ian Smith and Ndabaningi Sithole still have followers but represent minute sectional interests; Mr Sithole's ZANU-Ndonga party has one seat in the House, Mr Smith none at all. The remaining two seats are held by the Zimbabwe Unity Movement, but its leader Edgar Tekere (a former ZANU-PF politican expelled in 1988 for criticising the party leadership) again has only a regional appeal in Manicaland along the Mozambican border. Despite separatist disturbances in Matabeleland, home to the Ndebele who are one fifth of the population, in the 1980s, since ZAPU merged with ZANU dissident former supporters of Vice-President Nkomo have had great difficulty organising, although they have recently announced the establishment of an opposition political party. No credible programme for dealing with national problems exists and, unless a new party emerges with such a programme, it seems likely that Zimbabwean politics will continue to be dominated by personalities, not policies. ZANU-PF itself contains some activists — Mr Hove and Mr Nzarayenbani, among others — who disagree with aspects of its policies and performance, yet still propose to stand for election under its banner in 1995.

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Like the party itself, ZANU-PF's new headquarters building in the capital dwarfs its surroundings

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Nathan Shamuyarira, Minister of Foreign Affairs, believes Zimbabwe's international backers should ease off the pressure for faster structural adjustment

In any case, as the Harare newspaper The Sunday Times pointed out in an unsigned article about the 1995 election prospects which it carried on 10 January, President Mugabe relies on the peasant farmers for support, not the educated urban class: 'As a refined tactician, he has learnt not to appeal to the intellectuals in his political campaigns because he knows that those who have the right quality of grey matter in their heads will find fault with most of his policies and his leadership style. (...) To win over Mugabe, opposition parties have to dislodge him from his territorial advantage — the rural areas. It will not be easy to convice them that the mentality of relying on handouts creates a dependency syndrome.'

... but little enthusiasm

The Government has indeed made a good job of ensuring the survival of the communal area populations over the difficult year of the drought, and can consequently hope to reap the rewards at the ballot box. But at the moment enthusiasm for politicians is extremely muted. The Foreign Minister, Nathan Shamuyarira, told *The Courier* he put some of the unpopularity down to the speed at which the country's international backers expected it to implement structural adjustment: 'Their pushing that it should be accelerated is a bit too hard. You can see the strain in the economy. We have done most of what was required by way of removing subsidies and removing regulations and liberalising and so forth, and that in the face of a drought which brought a lot of political opposition of people to us on that.' But the lack of a viable alternative has made most people apathetic. A sign of the times is that at two by-elections held in and near the capital at the beginning of April, ZANU-PF held both seats — on a turnout of 5.8% of registered voters at one and 4.4% at the other. Analysts are reported as saying the lack of interest was due to the widespread feeling among the voters that nothing they said would make any difference. ○

Robert ROWE

Restructuring the economy

An interview with Bernard Chidzero, Senior Minister, responsible for finance, economic planning and development

Zimbabwe has stopped pursuing socialist economic policies and is busy installing a market economy. Why the change?

— There are several reasons. We inherited what you may call a command economy. There was a rigid foreign exchange regime, imports were controlled as regards foreign currency allocation and licensing, prices were controlled, and when we took over in 1980 we imposed further controls. On incomes, for instance, Government determined salaries and wages for all, from agricultural and domestic workers right up to managerial staff. We imposed further controls on prices, particularly on food, to protect the poor and achieve a certain degree of equity. We further controlled the labour market, to protect the workers at a time when we thought employers might lay off staff.

Secondly, the economy was overprotected from outside competition, to counteract the UN-imposed sanctions during the UDI period; and we maintained that degree of protection until we had the economy under control, so to speak. But the overprotection lent itself to monopolistic practices here, so there was no real competition inside the country either.

The third reason was that the country had suffered for a long time from a lack of outside contact in terms of new equipment, technology and management skills. It was an insulated economy, and we wanted to open it up to outside pressures and integrate it with the rest of the world economy.

Also, government expenditure had grown phenomenally over the years, moving between 45% to 53% of gross domestic product, most of it going on the social services, education, health, and some infrastructure development such as rural road and dam construction. But it meant that we were running the risk of crowding out the private sector, especially as most of the expenditure was recurrent, and of that about 43% was in salaries. The bureaucracy evolved fairly quickly and we also established new public enterprises or parastatals. And with this growth of expenditure we had to increase taxation, so the Government was siphoning a lot of money away from the economy.

Financing the budget deficit became a serious problem. We had to borrow domestically as well as externally, and clearly this was not promotive of investment. During UDI, capital formation was in the range of 25 to 27%, but at the lowest level after independence, somewhere around 1983-85, it fell to about 13% of GDP, and this was disastrous naturally so we had to change.

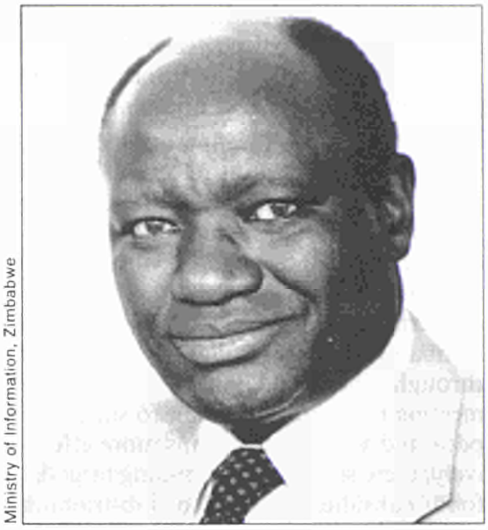
A final consideration was the very heavy dependence of the economy on agriculture, meaning rain. Even now you can tell there was a drought last year: growth has gone down very sharply. We thought we should try to reduce this dependence by promoting manufacturing and mining. The manufacturing sector contributed about 25-27% to gross domestic product, but it needed to be modernised, so as to expand it and try to insulate it from the very severe impact which agriculture has on the supply of raw materials. We also wanted manufacturing to be export-oriented so that it would not depend entirely on what was a limited domestic or even regional economy.

These are some of the reasons why we decided to change over to a market economy, and we had done very well in agriculture and social services, particularly education and health — but we were not creating employment. Last year we were producing, say, 300 000 school leavers, while the number of new posts created was something in the range of 30-40 000, a far cry from the requirement. So we needed to change course.

What are the main objectives of the structural adjustment programme?

— To stimulate investment, which we couldn't do with so many controls. No investor was prepared to take so much risk. He didn't know what price structure he would obtain, what foreign currency would be available or what labour costs would be because all these were determined by Government.

Investment, of course, means growth. We averaged about 3.5 to 4% growth throughout the period in real terms, but the population growth rate was also high, so that per capita incomes were only


Ministry of Information, Zimbabwe

rising marginally, even becoming stagnant, and they are now declining.

Are you talking about stimulating domestic or foreign investment?

— Both. The Zimbabwean economy was fairly highly industrialised already, although it was performing at lower than optimal rate because of obsolete equipment and a lack of spare parts, and we had good roads and telecommunications in comparison to other countries in the region, outside South Africa. But we still wanted outside investment. We were concerned, however, to avoid a polarisation of two forces — political control, which is largely in the hands of the black majority, and control of the economy, which is largely in the hands of the multinationals or the minority, which is basically white.

At first, therefore, we wanted the domestic investor to be assisted more than the foreign investor, but gradually we have shifted, and I'm glad to say that some foreign investors have responded although there are still some obstacles which we hope to remove, such as levels of taxation and the rates of remittance of company profits and dividends.

Where would you like investment to go?

— Manufacturing is a priority area — textiles, metalwork, engineering and the automotive industry — then mining, and we have been successful there in attracting new investment, particularly from Australia and the Canadians. Tourism, too, is a very important area. We'd like investment in horticulture and the agro-industries, though we do not give very much encouragement to normal agriculture because we have a good agricultural base here.

▶ *What is the Government doing to shield vulnerable sectors of the population from the effects of structural adjustment?*

— The adverse effects of the reform programme were foreseen in 1989 when we launched it, and we foresaw that these effects would weigh more heavily on the unemployed and the poor. The initial reaction to any change is a contraction while companies adjust or contend with competing products, so we knew that they would lay off people until the economy started picking up and generating net growth. We foresaw that there would be inflation as a result of the temptation for companies to charge higher prices for their products when we decontrolled prices, as well as for parastatals to pass on their extra costs to the consumers when we reduced the subsidies to them to encourage them to break even or make a profit (subsidising their losses in its turn necessitated very high taxes). And adjusting our currency to realistic levels and therefore devaluing the Zimbabwe dollar, as we did last year, of course added to inflation as well.

We have measures to effect cost recovery where Government still provides services, such as in education and health. For instance, we reintroduced school fees in primary education, which put poor parents in a difficult position.

As to alleviating the burden on vulnerable groups, we set up a Social Dimension Fund, having agreed with the World Bank and the IMF that social aspects of structural adjustment had to be incorporated into our programme. The Fund pays school and examination fees for children whose parents cannot afford them, and we are moving now in the direction of paying medical fees for those who cannot. The Fund also has a programme to retrain or assist in redeploying people who are laid off. We assist with finance for microprojects set up by such people, and I'm hoping the EEC will play a major role in promoting the microprojects, which they are already funding there anyhow. It is particularly important because part of the programme is to encourage the growth of small-scale, medium-scale entrepreneurs as well as the informal sector.

And we have taken special measures to assist what we call target groups. For instance, financing the huge inputs which came in last year as a result of the trade liberalisation programme meant we generated lots of local currency, so money supply grew very sharply, and with it inflation. Now, in trying to deal with inflation we have relied mainly on monetary policies such as draining the money out of the economy, and of course high interest rates to inhibit credit creation. These factors immediately impacted on the whole of the economy in a manner which makes it almost impossible for growth to take place and is antithetical to the objective of the programme. The problem has been exacerbated by the drought situation. We have launched a programme whereby small-scale entrepreneurs can borrow at concessional rates of interest, 15%, whereas the ruling rate is about 30 or 35%. We have done similar things to help some big companies, particularly textile companies which we had encouraged to expand on borrowed money and which were suddenly hit by high interest rates.

▶ *But if you are lending money at rates of interest which are lower than the rate of inflation you are still subsidising the economy.*

— Yes, for those who could not survive in the present structure — and that's been agreed with the international institutions. But it's what I would call productive subsidy, not a wasteful subsidy — in the short term anyhow.

Also, in response to drought, we agreed with the World Bank to provide peasant farmers with free seeds, fertilisers and pesticides for this year, in order to put agriculture back on track in the rural areas. But it was also because structural adjustment made these inputs very expensive and farmers could not afford them.

▶ *You have had to import foodstuffs over the past year, in a country which was traditionally an exporter. Manufacturing output has also fallen. When do you expect exports to recover?*

— Yes, we have had to import about 2.5 million tonnes of maize, which is the staple food here, as well as vegetable oils, soya bean, sugar, all the things that we normally export ourselves. But we expect to be back on course this year. The rains so far are good, and the measures which we have taken to put agriculture back on track are very imaginative. We have done similar things with large-scale farmers through the banking system, by stretching their repayment of loans over a longer period of time. We have had to increase food producer prices for the major crops such as maize, to encourage farmers to go back into production.

The world has been going through a recession, and our exports are mainly for overseas markets. Our biggest trading partners are the EEC as a group, and within it mainly the UK, Germany, France and Italy, and regionally it's South Africa. Now to the extent that there is recession in these countries, our exports will be limited by that factor.

But there's also the transport factor. We depend on the mercies of our neighbours to export, so the efficiency of their handling of goods, their harbours and so on affect us.

We have also devalued the Zimbabwe currency to encourage exports, particularly in mining and manufacturing, while we are putting a damper on imports by making them more expensive. We have established an organisation called Zimtrade, which comprises both the private and the public sector and is the instrument for promoting exports. So I think we will recover.

▶ *Zimbabwe's external debt as a percentage of GDP is very high. What can Government do to bring it down and how long will it take?*

— Well, the total outstanding external loan, short-term, medium-term and long-term, amounts to about US $3 billion. Our GDP is roughly US $6 billion. So the percentage of external debt in relation to GDP is in the region of 50-60%. I don't know if you call that very high in comparison to other countries.

▶ *It was a subject of concern that came up at the Paris Club meeting in December.*

— It was not so much the borrowing as such, it was the use to which the borrowing would be put. In other words, if we borrowed for recurrent costs, then of course we would be borrowing wrongly. The more important measure of our debt is the debt service ratio, which is the payment of principal and interest combined as a percentage of total exports of goods and services — that is currently about 22-23%. The World Bank projected that this might grow to 27%, which was fairly comfortable, so we are not worried about that. We had reached a much higher debt service ratio, about 37%, in 1987-88, and we got it down.

If you use other indicators, Zimbabwe's total debt is about 170% of total exports a year. The average for the sub-Saharan region is 350%. For Latin

America it's 287%. So we are well below the highly indebted countries.

What scope is there for increased regional trade and cooperation?

— Considerable scope, and we are trying to do it within the framework of the Preferential Trading Area, PTA, and of course SADC, the Southern Africa Development Community. Considerable trade already takes place between Zimbabwe and Botswana, Zambia and South Africa, and we have set up a PTA payment and clearance system based here in Harare, so that we trade in local currencies and only the balances are paid periodically in foreign currency. That has promoted trade generally within the region.

We have instituted a system of travellers' cheques in PTA units of account, and we are moving in the direction of PTA passports. Annually tariff rates are examined with a view to reducing them progressively, so that by the year 2000 or 2005 there will be a more or less zero tariff rate for products originating in the region. And within the PTA we are moving in similar directions to promote exports.

We also have to make sure that those countries which are more on the importing side get developed so they can also export. Hence we established the PTA Trade and Development Bank, which is operating right now in Bujumbura, assisting with both trade and investment. It is important that you achieve that degree of reciprocity, otherwise the regional markets presently within the PTA would be dominated by Zimbabwe, Kenya and, to some extent, Zambia. And you can imagine what would happen as and when post-apartheid South Africa joined the PTA, SADC or whatever other community emerges — it would be a giant. So there is ample scope, but we have got to coordinate, to complement trade with investment, and we have started cross-border investment now, like Zimbabwe investing in Botswana, investing in South Africa and vice versa.

Going back to the parastatals, if, as you announced in the framework programme for 1991-95, you take away subsidies and remove labour restrictions and procurement policy requirements from those companies, mightn't you just as well privatise them?

— Some will be privatised, others may not. We have a comprehensive programme for reforming the parastatals. It includes measures such as requiring them to operate on a commercial basis. We are reducing the degree of control over parastatals by parent ministries, giving more authority to boards and management to operate economically without prices being determined by government for reasons which have nothing to do with economic considerations. And we have moved in the direction of forming joint ventures with the private sector.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Government hopes to attract new investment in the manufacturing sector, including textiles

We have abolished some parastatals, and Government is completely out of others, such as the Urban Development Corporation. As for the Grain Marketing Board, we envisage a time when there will be almost a free market in grain, but there are still small farmers who want to have their maize collected, paid for etc. and they need the Board. Then you have the giants like the railways, the Zimbabwe Electricity Supply Authority and the Post and Telecommunications Corporation — all these are under study.

The timing for privatisation is not quite right at the moment. First, it's too expensive. Who is going to borrow money at 35% to buy out these parastatals unless we sell them to multinationals and to big companies? Which brings in the second problem — it will tend to polarise the political and economic forces in the country. We are going through a phase in our development in which we have various sociological factors such as income and assets control to consider, so we have to move with care. The important thing, however, is not so much the ownership of these bodies, it is their efficiency. This is the critical point which the World Bank has accepted.

Last year Parliament adopted the legislation for the land redistribution programme. How can this actually be carried through without putting the dampers on agricultural investment and growth?

— It is no longer a real problem in this country. Go and talk to the commercial farmers, they are not worried about it. The law is there, but the practice is different from the law. Implementation is going to depend on productivity, on the availability of resources, on there being trained farmers, to ensure that it is not just land redistribution for the sake of it but is an enhancement of land utilisation. To do it we will need resources, money, equipment. We will need to take account of the environmental impact, and that is why we are moving very slowly, because it is not just a question of equity in the distribution of land.

In this and other areas, some of the international donors would like you to move faster. Can you move any faster?

— That gives me the opportunity, perhaps, to tell you, how far we have gone with other aspects of the reform programme. On the rationalisation of the civil service, there are good reasons for having decelerated the pace. Our target is to retrench about 23 000 people by the end of the programme, and already we have done about one third. Now whether we manage to retrench all of them is another factor. We have to look at what happens to our budget, because there are up-front costs to retrenchment, such as terminal benefits, which will inflate our expenditure, and this may in fact defeat the whole purpose, which is to reduce the budget deficit, so we have to try to spread it more evenly.

Secondly, as the effects of the drought will be with us until April this year when the crops come in, retrenching more people places greater burdens on families, so we have to be careful. In any case the inflation rate is so high, money supply is so limited, interest rates so high, it is a burden for those who are released, and what they can do with their terminal benefits is limited by the situation created by the reform programme itself. Action on all these things has to be synchronised.

On the restructuring of parastatals, there is no mental aversion to doing so any longer, we have accepted market forces. The ideological background is finished, in terms of socialism and so on. But we have to proceed in a manner which does not create new political problems or new tensions in society, along racial lines or other lines.

There are other areas where we have moved too fast, such as decontrolling of prices, which has led to high costs and inflation. When we allowed in the Open General Import Licence, we moved fairly fast; about 20% of total imports are now on unrestricted OGIL, with another 10-15% on the restricted. In fact we moved a little too fast there, before mobilising resources from the donors, so there was a flood of imports under OGIL last year. Imports grew by about 20-25% in US dollar terms, as against a growth in exports of nearly 5%, and that immediately aggravated our balance-of-payments situation, which deteriorated sharply. In February 1992 the current account deficit as a percentage of GDP was only about 7%. Now it's about 19%, and this was because of the rush of imports. Manufacturers now hold huge stocks of raw materials which they can't use because the economy has declined, so some of them are even beginning to re-export the same products. They have learned a good lesson.

We have moved fairly fast on trade liberalisation and, beginning in January this year, every exporter can return 35% of export earning entitlement in foreign currency, which they can use to buy anything which is not on the negative list. Now this may even mean competing consumer goods, and some competing goods are coming in and hitting our own manufacturers, so we have to provide tariff protection or some other measure to ensure that they survive.

We have not moved as fast on the fiscal side as on trade. The budget deficit for the fiscal year 1991-92 was about 8.5%, which was a reduction on the previous year, when it was 10.5%. We aim to reduce the budget deficit progressively by two percentage points until in 1994-95 we reach about 4%. But we have been slowing back somewhat in this current year, largely because of the expenditure on drought. We are spending roughly US $700 million on drought relief and drought-related projects. We have had to distribute food to the rural areas averaging 30 000 tonnes of maize alone a month, worth some US $8m, and that is all budgetary money.

Subsidies to the Grain Marketing Board have been increased because of the drought, as it is importing the maize at very high prices and cannot pass the full costs on to the millers or consumers; but the other agricultural parastatals are either in the black or will break even. The railways would have done the same thing but to ferry all the maize, wheat, sugar and so on which we are importing they have had to hire waggons from South Africa or elsewhere, and there are charges to be met.

There has been considerable progress on deregulation in the labour market. People can retrench or hire now more or less as they want, but because of the drought situation we like consultations to take place. Collective bargaining is now the order of the day. The Government used to fix all the wages; now employers and employees negotiate among themselves, and surprisingly this year they have been very reasonable, because of the drought situation.

▶ *How do you assess the attitude of the European Commission to Zimbabwe's reform programme?*

— The Community has been fairly imaginative on the drought side, they have given us some 80 000 t of grain and other food. It's a slow movement as far as balance-of-payments support is concerned. I do need to emphasise that for the type of reform programme we have embarked on to work smoothly and quickly, what we need is not only the volume of support, we need quick disbursing. I'm talking now of the country programme, but we have of course the European Investment Bank, which operates independently on projects, and they are very supportive of our programme here generally.

Naturally we need as much money as we can get — we estimated after all that the programme would cost US $16 billion over five years (using 1989 prices), and that about $12.5 billion of it would be financed by Zimbabwe itself from export earnings and factor earnings as well as capital inflows. On all three accounts things haven't gone so well. In the review, therefore, we will want to see whether we can still finance the programme to the same level that we had anticipated, because on that basis of calculation we expected the outside world to finance only $3.5 billion. On present performance I think we may need a little bit more.

Secondly, we would prefer untied, concessional financing if not outright grant. The Paris donors' meeting in December agreed to untie their aid, but different countries had different approaches to that, and a team from the World Bank and ourselves have been working to see how we can untie this money, because tying the money really is antithetical to our liberalisation of trade. There has been some move: the Nordics are untying and I think even the EEC members themselves are untying to a considerable extent. And we have a fairly good percentage of soft loans or even outright grants, which is important for us if we are not to aggravate the problem of the growth of our debt burden.

▶ *What are Zimbabwe's top economic priorities for 1993?*

— Certainly we have to bring down inflation, and we are examining what further cuts we can make in government expenditure, because that, in the present situation, is inhibiting investment, it's affecting existing companies — some are collapsing or are on the verge of collapsing, and that does not promote growth. I do not, repeat, not accept structural adjustment or reform for the sake of it: it must be promotive of growth, because that is exactly what we aim at — new investment, growth, employment creation.

Task No 2 is full agricultural recovery, because that is absolutely vital for us in relation to feeding our own people, cutting government expenditure, reducing outlays on imports and increasing exports and therefore improving our balance of payments.

We have to push on with the reform. We must not slow down, having gone so far. Some members of the private sector think we are moving too fast, before they are ready to meet competition from outside. Others are saying: Move faster in some areas. Even in Government, the view is expressed that we should finish with the programme quickly and let the people suffer once and once only. Others are saying: No, no, if you make people suffer too much, even over 12 months, they will revolt and you might get the programme jettisoned. So we have to assess all this. We had planned it to be five years, we have done two years and I think we can achieve our objective. ○

Interview by Robert ROWE

The new ideology

An interview with Jonathan MOYO

Zimbabwe's economic structural adjustment programme (ESAP) has so far been a mixed success, and the press makes full use of its freedom to analyse its economic and social effects. One of the most highly regarded commentators is Dr Jonathan Moyo, lecturer in politics at the University of Zimbabwe, whose regular articles in the weekly Financial Gazette on this and other aspects of the Government's performance are a good gauge of opinion among its independent critics. The Courier asked him whether he shared the consensus view of the consultative meeting of donors in Paris last December that the Government was doing the best it could, under the circumstances, to reform the economy.

I would not say we are on target as far as ESAP is concerned. I know that the Government has been redefining these targets almost every year. It made sense to redefine them just before the Paris Club meeting, in view of the drought, but — and this is related to the question of democracy — we don't know what the new targets are. It's very difficult in a country such as this one to believe things, because the policy process is rather closed. So the targets are anything which the policy makers imagine them to be, since these things have become secrets between the World Bank, the IMF and the Government. These are not matters of public discussion, so that you can then hold people or the political system accountable.

▶ *To look at retrenchment, what consultations took place between Government and unions before the target figure was arrived at?*

— My belief is that the Government has always had the view that it is a people's government, it represents the people, and therefore does not take seriously the workers' unions. Certainly they don't take the Zimbabwe Congress of Trade Unions seriously. As far as the formulation of ESAP was concerned, there was no serious consultation with the trade unions. Last year we almost had a very nasty situation when the unions tried, but failed, to have a nationwide strike. The other problem is that the unions themselves are very weak and have not been able to exert any influence to have their grievances taken into consideration.

A lot of people in the public and private sectors lost their jobs last year under most unacceptable circumstances. If you look at the public sector, the people losing their jobs are basically labourers without transferable skills. If you were to accept the logic of ESAP, you would think that some of the targets would involve people who went into the public service just because it turned black after independence but who would be better off transferring their skills to the private sector now that it, on paper at least, is supposed to be playing the leading role. This is a particularly worrying problem in the case of Zimbabwe where, in addition, we have had a disastrous land redistribution policy or rural settlement programme, because we would like to believe that when you are retrenched, have no transferable skills and cannot be retrained you are better off going back to work on the land. They give you retrenchment benefit which you could use as an initial investment to live on the land. But that is not possible: the land resettlement programme over the last 12 years has been disastrous.

▶ *What about the Social Dimension Fund to help people who have been laid off as a result of ESAP?*

— The major weakness of ESAP is that its implementation has not been accompanied with some of the other expected dimensions, and one of the major ones is this social dimension aspect. The Fund came as an afterthought. We understand it was in fact not even the Government which thought such a thing would be necessary, it was the World Bank's idea. A monopolies commission and a tariffs commission should have been established as well, because prices are going up in a monopoly environment and they are going up in irrational terms, and that hits poor people. The fact that they have not had these institutional mechanisms in place three years into the programme is very problematic.

▶ *Why do you describe the land resettlement scheme over the last 12 years as disastrous?*

— The Government would say it was disastrous because their hands were tied by the Lancaster House Constitution, which specified a market approach to land distribution, basically. But more could have been done even within those constraints. There were difficulties: the land which was acquired during the first ten years of independence was from the most arid zones in the country, and when you resettle people as farmers in dry areas where there are no social amenities and the extension services are not very good, you create a lot of problems — especially if at the same time you are trying to engage in a strange ethnic balancing programme — taking people from Mashonaland and then trying to settle them in Matabeleland, which creates all kinds of cultural problems.

There is a new land policy now, but the resources are not there, especially with ESAP. Also, if ESAP is to succeed, the commercial agricultural sector has to play the leading role. Initially they were saying that ESAP is going to cost something like US$ 15.5 billion, of which 12.5 bn or so was to come from local resources, and those local resources have to be generated from agriculture and related industries. But if you have a vigorous land redistribution programme, you antagonise the white commercial farmers, so basically things are at a standstill.

▶ *Do you think the Land Resettlement Act was a political carrot dangled by the Government in front of the population to try and win back its fading popularity?*

— Well, you know, land has been *the* political issue before and after indepen-

'Structural adjustment is the newly discovered ideology, but the implications are not thought through,' says Jonathan Moyo

dence, and it is not surprising that it was an issue just before the 1990 elections. But the very fact that they took up this question in November 1990, after the installation of the new Government in April, shows that it was not just a matter of electoral politics. Another factor, I understand, is that one of the vice-presidents, Joshua Nkomo, made land an issue in order to try and extract political gains of his own and Mugabe had to respond by stealing the thunder from Nkomo.

If you take the position that Zimbabwe is, at least constitutionally, a multi-party democracy and that the Constitution can be used by any political party for the transformation of the country, then the Land Resettlement Act, which is a constitutional amendment, is a major development because it means that if another party which was pro-peasant, pro-workers, anti-ESAP won elections it would have the Constitution behind it to put in place a very radical land reform. It does not necessarily follow that land reform as prescribed in the Act can only be undertaken by the ZANU-PF Government. I think, as a matter of fact, that ZANU-PF will be hanged by its own rope in the next elections because people will see that they came up with this Act but did nothing.

▶ *What is the nature of organised opposition in this country?*

— There is no organised political opposition in Zimbabwe, but that is not surprising. The Constitution of ZANU-PF commits the ruling party to a Marxist-Leninist society under a legislated one-party state. That alone is a clear indication that at least over the past 12 years we have had a ruling party which has been opposed to the constitutional provision for multi-party politics and has therefore done a number of things, institutionally, to pave the way for a legislated one-party state and to make it difficult for opposition parties to exist. They have done that by diminishing the space not only for opposition parties but also for any other community group. Students, workers, commercial enterprises were all expected to function under the ruling party.

Things got worse in 1987 when ZAPU, which then gave some semblance of being a credible opposition, signed a Unity Accord with the ruling party and eventually, in 1989, united with it. And it's fortunate for us that some regional developments in Mozambique and South Africa and international developments in Eastern and Central Europe, including the Soviet Union, saved us from what was going to be inevitable legislation for a one-party state in 1990.

But we are unfortunate in a way because I wish the Government had gone ahead and legislated, then we would have had a rallying point to oppose. People in Malawi are better off than we are, because they have this opportunity of participating in a referendum for multi-party politics versus monopoly politics. Here, we have been taken into a kind of political sleep.

It's unbelievable if you think about it. Last year we had the worst drought in living memory, with major shortages of water, electricity and food, and I can't imagine any country in that situation letting the ruling authorities survive as easily as the ZANU-PF party apparently did.

▶ *That's a thing that a foreign observer on a brief visit finds difficult to understand.*

— A Zimbabwean who's been here for 12 years since independence also finds it difficult to understand! Yet if you look at the structural arrangements and the sort of energies which the ZANU-PF put into its political project, you can see why it happened.

A climate of new opposition was set in motion last year. If you look at the 1985 election results you will see that ZANU-PF commanded tremendous support in the rural areas, except perhaps in Matabeleland. Certainly peasants had good reasons to vote for ZANU-PF: things were better for them than they were before. But if you look at what happened in the 1990 elections, you begin to see some differences. I think the economic situation was beginning to take its toll in political terms. Suddenly in the urban areas we were experiencing problems in the areas of transportation — there is virtually no public transport system in any of our major cities — and housing has become a problem, squatters are a common feature of all our urban areas. We expanded the system of education earlier on, but now it's taking its toll and it translates as unemployment, and when you get that in an economy which is not growing very well and inflation is very high, people really become agitated and naturally they blame whoever is in power.

Then if you have the sort of humiliation we experienced for the first time last year, of queuing for maize meal, the peasant begins to complain, as peasants did for the first time last year. But the peasant is still afraid of politics. The memories of the war, the conduct of the ruling party during the liberation movement, all these things are still fresh in their memories. Even the way the ruling party presents its political programme today worries peasants because it is based on the sort of scare tactics, images of violence and so forth, reminiscent of the war. Therefore the peasant has been slow to express his political options. After all, peasants like being left alone and if they think that giving you the vote is one way of getting you to leave them alone, they will do that.

▶ *In some of the Central and Eastern European countries, the first thing that happened when they got rid of their one-party systems was that nationalism flared up and they broke up into two or more parts. Is there a focus for opposition on those lines in Zimbabwe?*

— There is. One of the things that worries me is that the sort of political structures which were erected in this part of the world, sometimes modelled on those structures which are collapsing in Eastern Europe, have this price of postponing deep-seated conflict. Today, our leaders will say that Zimbabwe is one of the best examples of a country, in the region at least, which avoided a major civil war through the Unity Accord that they signed in 1987, and that as a result we don't have the situation obtaining in Mozambique, Angola, Somalia or even Kenya.

But the truth is it's an arrangement which has seeds of what's happening in Eastern and Central Europe, or in Angola and Mozambique right now. We may not have that problem today, but if it took some 70 years for Czechoslovakia to split it might take 20 or 30 for Zimbabwe to split, because of the refusal to put a viable republic in place in the first instance. The fact that you have an agreement between Nkomo and Mugabe does not mean Zimbabwean society is sufficiently integrated and is working together.

As a matter of plain fact, there are people in Matabeleland, for example, agitating for an independent State, people who would kill Nkomo if they got an opportunity because they think he has run away with politics to enrich himself at the expense of his community. If you watch national television or listen to national radio, you don't get that impression. In 1893 there was a Matabele rebellion, and they are commemorating the anniversary this year, reviving Ndebele culture and so forth, and pointing to very interesting things, at least to political analysts. On local television, for example, the first news bulletin every day is read in Shona, and they are saying this gives the impression that Shona comes first and Ndebele second. And the Ndebeles have a lot of contact with South Africa, where they find that the Afrikaans and English programmes alternate, so they are drawing intelligent parallels. We have a political system claiming it has integrated people, but with nothing to show for it in terms of how they do things in everyday life.

I am not prepared to say that the future of this country is up for grabs from an ethnic point of view, but I am afraid that the future political stability of Zimbabwe cannot be guaranteed. You see, in Mozambique the Rome peace agreement is much more sensible than the Unity Accord of 1987 which is supposed to be holding Zimbabwe together. So are the Angolan peace agreements — why? Because one of their basic pillars is the recognition of pluralism. Our Unity Accord is based on the principle of monopoly politics, on the principle of: Let's come under one umbrella, brother. And any political arrangement that does not respect pluralism as one of its basic pillars is doomed to failure.

► *What sort of party is ZANU-PF and who supports it?*

— Well, that is the other question which is now coming to the forefront of national debate. It is, of course, some kind of a nationalist movement which up to now has generally been dominated by the old guard nationalists. Earlier on they tried to see themselves as a peasant-based movement sensitive to the interests of workers, but clearly there is no peasant or worker representation of a serious nature. Now, with ESAP, the party is redefining its outlook, they are looking to go into business in partnership with foreign or even local interests, and it's working well for them because it's very difficult to find among elites in Zimbabwe anyone who doesn't want ESAP. This is one of the most surprising things in politics, that all the opposition parties think ESAP is a good thing but is in the wrong hands. This is true of the Democratic Party, of ZUM and of the Forum for Democratic Reform Trust. And I think this has been one of the opposition's major problems, because it has alienated the rest of the community and the workers.

In Zimbabwe today if you go around saying that ESAP is wrong you are seen as an irrational, unintelligent person who doesn't understand that you need to have a deregulated economy. People are not willing to consider the fact that the private sector, in so far as it has its origins in Rhodesia, is run by a white-family guild who are against professionalism, against innovation, so as to protect their own interests — they even have a phobia of foreign companies. The CZI (Confederation of Zimbabwe Industries) and ZNCC (Zimbabwe National Chamber of Commerce) people were among the most vocal opponents of ESAP when it was mooted in 1987. People don't see that among other things ESAP means turning the private sector into a retirement graveyard for ministers, they don't see that we have a problem with understanding the real, serious meaning of a private sector. They just know that if you are going to talk to donor agencies, NGOs and so forth and you talk about ESAP, you are speaking the right ideology.

ESAP has become the same kind of thing which socialism was in Zimbabwe for the first ten years. We accused the Government of being socialist but it never was. Some of us would not want socialism anyway, even in its conceptually pure form, but it was never understood properly, never implemented properly, never debated properly. Now suddenly we're suffering from the same again. ESAP is the newly discovered ideology, but the implications of what it really means to have a market economy are not thought through, so there is this bandwagon mentality where a new series of slogans are emerging.

► *What is the nature of the parastatals and what influence do they have?*

— Many of us think that parastatals in a country such as ours ought to play a pivotal role as one avenue for creating wealth and bringing in the historically marginalised people by recognising talent that has been stifled, while operating on viable principles. But this has not happened. Parastatals in a Government with a one-party State mentality become an avenue for extending patronage.

One of the reasons why we have nationwide electricity shortages is that the Electricity Supply Authority was turned into a kind of personal fiefdom of the President, who put in his relatives to run it, so the thing collapsed. It's the same with Air Zimbabwe. The marketing boards have become very corrupt. Our national railways went through similar problems when they put in incompetent ministers of transport and general managers, and ended up creating the impression that all black Zimbabweans are incompetent, so now we are going to bring in foreigners.

The bad name which the parastatals have earned over the last 12 years has created this euphoria about privatising them, but it is difficult to privatise parastatals in an environment where the private sector has been seen as a bad thing. For the first 12 years of independence, if you were black, going into the private sector was sellout behaviour, but then to overnight say we will privatise when you have not, so to speak, empowered the people is very difficult. So you get these fears now, when people realise that the only enterprises that will take advantage of privatisation are the multinationals or the better-organised commercial farmers or whites in Zimbabwe. This creates a problem of racism, which is the sort of political problem you cannot just ignore.

► *Unemployment is very serious. What is being done about it?*

— One of the reasons why the Government is said to be considering early elections is unemployment. If you ask people why the Government accepted ESAP, they will say it was because one way to get donor financing with the blessing of the World Bank was to agree to the programme. But there have also been studies showing that just before they adopted this programme the economy was growing at nearly 4.5%, yet there was no new investment, and the school system was turning out some 350 000 school-leavers with no jobs. That was an alarming situation, and to create opportunities for new investment they were told to adopt ESAP. But the story of ESAP so far has not been about creating new jobs but about retrenchment. Maybe only in 1995, when we have the next elections, will the Government be keen to start creating jobs.

► *What are all the unemployed school-leavers doing?*

— They are all loitering around waiting for an opportunity that will ignite them into social unrest. ○

Interview by R.R.

EC-Zimbabwe cooperation: a tradition of solid support

by Michael LAIDLER *

It is political stability which sets Zimbabwe apart in a continent where disorder and socio-political upheavals are common currency. The country, a democracy with modern administrative infrastructure, has been independent for 13 years and Zimbabwean blacks and whites live there, side by side, in peace and harmony.

It is political stability which has enabled Zimbabwe to attain a level of economic development which, South Africa apart, is probably without equal in sub-Saharan Africa today. The improvements to education and health and family planning since independence are particular examples of the Governments's achievements.

But this success has not engendered the real economic take-off to which Zimbabwean and international leaders looked forward.

Today, for example, more than 25% of the working population are unemployed, inflation is running at over 40% and none of the objectives of the three successive development plans (1982-85, 1986-90 and 1991-95) has been achieved.

So early 1993 sees Zimbabwe at a decisive crossroads in its pursuit of economic development and feeling the effects of two major events in its economic life — the exceptional drought of 1991-92 and the nations's structural adjustment programme.

The drought

The drought which hit Zimbabwe in 1991-92 was the most devastating the country has ever experienced, a climatic disaster. The output of agriculture came down by 40 % overall and that of maize, the country's staple food, by 85%, the whole of the sugar cane harvest perished because the irrigation systems were empty and more than 1.5 million head of cattle were lost where normally 9000 tonnes of meat are supplied to the countries of the European Community.

The drought pushed down GNP by 11% and the World Bank put the cost of the Government's essential food imports at US$400 million for 1992 and US$150 million for 1993.

Lastly, and as misfortunes do not happen singly, an outbreak of cholera followed the drought. More than 5000 cases had been recorded nationwide by mid-February this year and, at the end of the month, the Government appealed for international aid to fight the epidemic.

The structural adjustment programme

In 1989-90, the Zimbabwean Government realised that it had to rethink its economic development policy and, in 1991, it came up with a five-year structural adjustment plan with the ultimate aim of liberalising trade and doing away with price and exchange control.

The structural adjustment programme has been presented in Africa as a national initiative and not something imposed by the international donors, but, with prices rising by as much as 65%, it is nonetheless having a harsh effect on the everyday lives of the people.

The Community's response

Zimbabwe is therefore at a crucial stage in its economic development and its biggest trading partner, the European Community, is quite naturally among the leading international donors keen to help the country at this turning point in its history.

In May 1992, drought-ridden Southern Africa was in a dramatic situation and the EEC decided in principle to supply a quantity of food aid which was unprecedented for the region — 80 000 t of cereal equivalent, plus 416 t of seed, went to Zimbabwe as part of the special food aid programme and an emergency decision was taken to send 2 685 t of vegetable oil and beans, as part of the ordinary programme already under way. All this was worth a total of ECU 22 million.

The terrible drought of 1991-92 currently seems unlikely to recur in 1993. The recent rainy season was good and maize output, in particular, should be up to almost normal figures again. However, optimistic scenarios notwithstanding, specialists suggest that Zimbabwe will have to import food again this year. And the Community has already taken steps to ensure that any requests from the Zimbabwean Government are dealt with as a matter of urgency.

The other major event in the country's recent economic career, its structural adjustment programme (ESAP), is also getting Community support — ECU 28 million, for which Manuel Marín of the Commission and Zimbabwe's Finance Minister Bernard Chidzero signed the protocol on 27 January 1993.

This is not all that has been done for the structural adjustment drive. In March 1992, the EC signed a contract to provide technical assistance to Zimtrade, the national trade promotion board which the Government set up to develop the country's international trade, particularly the export side, and the Zimbabwean Government now has ECU 10 164 from the EC as support for Zimtrade's activities.

Tsetse and Trypanosomiasis Control Programme

Agriculture is one of the three mainstays of the Zimbabwean economy, contributing, with the manufacturing industry and mining, about 50% of GNP and accounting for 28% (1987 figures) of all exports.

And within the agricultural sector, cattle rearing (almost 6 million head) is one of the country's foremost economic

* Head of the EC Delegation in Zimbabwe.

activities. Zimbabwe is Africa's leading exporter of beef and veal to the Community, with an annual EEC meat quota of 9 100 t, bringing the country about ECU 45 million p.a.

However, the livestock is under constant threat from two things: the tsetse fly, a carrier of trypanosomiasis, and foot and mouth disease. It was to help combat and eradicate the tsetse fly and the trypanosomiasis which it spreads that, in 1986, the Community set up the Regional Tsetse and Trypanosomiasis Control Programme (RTTCP), covering a 322 000 km^2 area across the border regions of Malawi, Mozambique, Zambia and Zimbabwe.

The Zimbabwean part of the programme began with a three-year phase for which the EEC gave financing of ECU 22.6 million. In 1992, there was another ECU 22.7 million from the Community for a further stage of the RTTCP, ECU 6 million of it for Zimbabwe's national plan.

Financing for the regional foot and mouth disease control campaign came from both the 5th (ECU 12.5 million) and 6 th (ECU 1.8 million) EDFs and ECU 10 million from the Lomé IV regional funds is going into a campaign monitoring programme currently being assessed.

Backing up this work in the field is the University of Zimbabwe's new school of veterinary science — as explained in a separate article the EC has allocated ECU 12.5 milion to the building of this — which completes the facilities destined to improve and develop the country's cattle, sheep and pig stock.

Rural development and microprojects

Farming — herding and growing crops — on a large, medium or small scale is one of the mainstays of the Zimbabwean economy. The country is in fact self-sufficient in food and, until the recent drought struck, it was seen as the main maize grower of the whole of Southern Africa (other than South Africa).

So the land, its ownership and its utilisation are of crucial importance here in Zimbabwe. This is why the European Community gave the young Zimbabwean Government ECU 18.5 million for its settlement operation directly after independence in 1980, when thousands of peasants who had fled the country during the war were installed on State-owned land.

The resettlement and rural development programme continued under the 6th EDF, this time with financing of ECU 49 million, and the first batch of microprojects was launched with a Community contribution under the 5th EDF.

The Community financed no fewer than 650 of these schemes in Zimbabwe, for the benefit of some 700 000 rural families, between the start of the microprojects, in 1982, and mid-1990. The financing ploughed into microprojects has increased regularly over the years to reflect the Community's growing interest in them, from ECU 1 355 400 for the first programme, approved in 1982, to ECU 8 million by the seventh programme, in 1992, bringing the total over the 10 years to ECU 30 555 400. Zimbabwe's 7th EDF national indicative programme has been allocated ECU 24 million for microprojects.

In 1988, the Community injected ECU 23,5 million into the Agricultural Finance Corporation for development loans for smallholders in rural areas and ECU 14 million went to a smallholding irrigation programme the following year.

Lastly, the Community is ensuring optimum land use by means of two pilot projects in the Zambezi River Valley (Kanyanti and Gatshe-Gatshe). There is EDF financing of ECU 3 million for these two schemes, which should serve as a model for similar projects elsewhere in the valley.

Tourism

The Zambezi Valley is, of course, one of Zimbabwe's foremost tourist attraction, for here are one of the seven natural wonders of the world, the Victoria Falls, and what was once the biggest artificial lake in the world, Lake Kariba.

Tourism is gaining in importance every year and becoming one of the country's major foreign exchange earners. In 1991, the Government launched its Zimbabwe Tourist Development Programme to cope with this rapidly expanding sector and the European Community gave ECU 3 600 000 of the ECU 5 880 000 required for the operation, which is now under way. It should create 600-800 new jobs p.a. throughout the period of implementation.

Refugees from Mozambique

Although Zimbabwe is the deliberate choice of more and more tourists, it is a different story for the almost 150 000 refugees from Mozambique who fled during the civil war in their own country and are now living in camps not far from the Mozambique border.

It alas goes without saying that, despite the efforts of the Zimbabwean Government, conditions in the camps are not always all they might be. The cholera epidemic which Zimbabwe has been fighting for some months now, for example, started in the main refugee camp at Tongogara.

Various financing operations under the 5th, 6th and 7th EDFs have enabled the Community to cooperate with Zimbabwe to provide relief for the war refugees and displaced people.

It channelled ECU 1 782 690 (5th EDF) into aid for the refugees in Zimbabwe and ECU 1 656 000 (7th EDF) into improving sanitary conditions for displaced Zimbabweans who had fled from attacks by MNR troops. ECU 500 000 went to an NGO which looks after Mozambican refugees who are old or handicapped and ECU 750 000 (6th EDF) went to building and operating a training centre for refugees. Lastly, in January, there was a Community donation of ECU 300 000 to Médecins sans Frontières to combat the cholera epidemic in the Zimbabwean refugee camps.

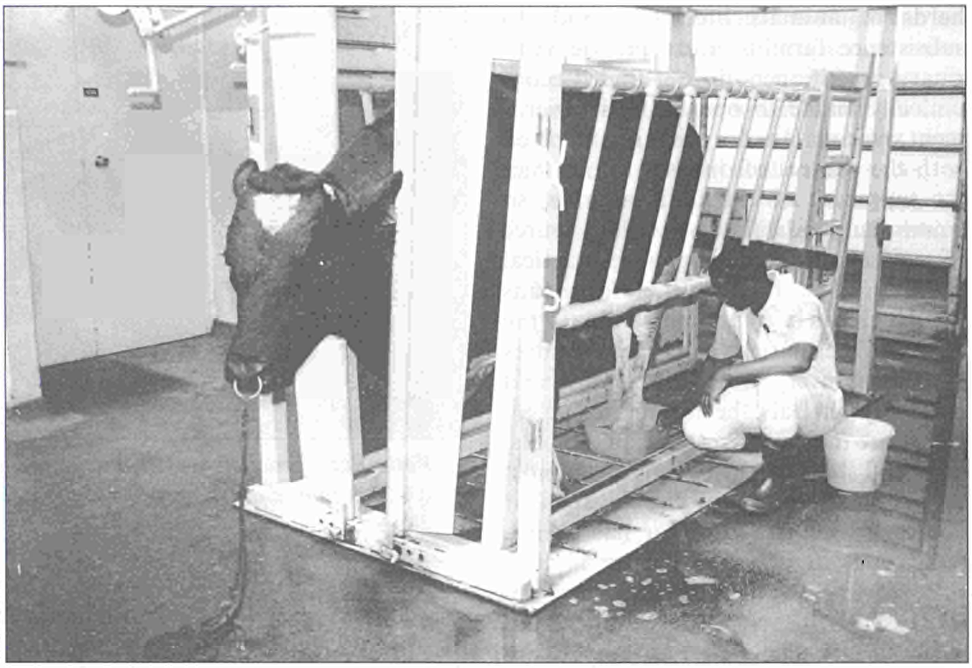
Conclusion

Cooperation between the European Community and Zimbabwe is a fine example of what ACP-EEC relations should be, in that it is based on equality between partners. This means responsibility on the part of the ACPs and it means no demands from the Community, which should impose nothing, being content to respond to the call of its partners, who for their part have to make a success of the projects for which EC financial and technical support is given.

The European Community has channelled ECU 437 million into Zimbabwe since 1981 and there have been the advantages of such things as the meat quota and the special sugar provision besides. Both partners have always respected their commitments to each other and cooperation between them seems bound to develop. ○

EC promotes animal health

Zimbabwe has a very diversified agricultural setup, from peasant households living by subsistence farming to well-organised commercial farms operating almost on an industrial scale. At all levels, animals are an important source of livelihood, and making sure they are in good health is vital. An early task for the country following independence was to set up its own Faculty of Veterinary Science to provide local training in the necessary skills, and the European Community was the main financial backer for the scheme.


The Courier

A domestic bull brought in to the veterinary teaching hospital receives treatment for foot rot

The faculty was established as part of the University of Zimbabwe in 1982 and moved into its current premises on the campus in northern Harare three years later with grants from foreign donors of some Z$15 million, Z$12.5 million of it from the EC and the rest from Australia and Britain's Overseas Development Agency. Annual undergraduate intake is 15 students from Zimbabwe itself and the same number from its fellow-members of the Southern Africa Development Co-ordination Conference, now the SADC. The faculty offers a five-year programme leading to a bachelor's degree of the type awarded in the British Commonwealth. This year master's degrees in pathology and microbiology are also being offered.

From the outset a link was established between the university and the school of veterinary medicine in Utrecht, regarded as one of the best in the world. This Dutch partner faculty has been very helpful in providing teaching aids, devising programmes and collaborating in organising exchanges of academic and technical staff between Zimbabwe and the Netherlands. The link receives ECU 250 000 per year from the EC as part of Zimbabwe's national indicative programme, with the funds being used as foreign exchange to import chemicals and equipment. A financing proposal to extend the link for another four years under Lomé IV is now before the EC Commission. Fifteen collaborative research projects on ways of enhancing livestock production and fighting disease are under way between the two universities.


The Courier

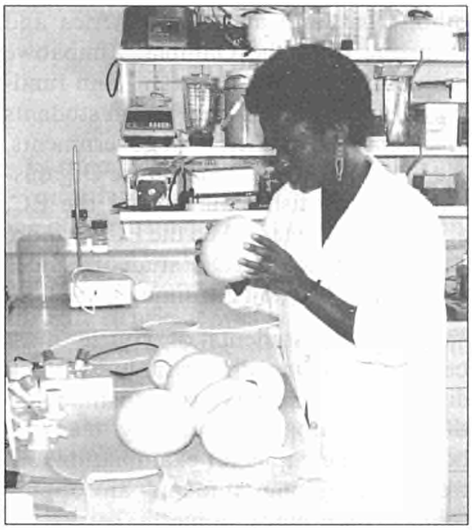
Students remove a plaster cast from the leg of an injured vervet monkey

The faculty once relied heavily on expatriate teaching staff but now encourages trained Zimbabweans to take up postgraduate fellowships and lecture in its preclinical, paraclinical and clinical departments. If the EC agrees to a request for funding for 20 staff development fellowships for Zimbabwe nationals, costing ECU 900 000 over four years, the country will be almost self-sufficient as regards Ph.D. training, which is of course much cheaper to provide at home than by sending students abroad, as has been done hitherto.

At present the faculty has undergraduates from Botswana, Malawi, Lesotho, Swaziland and South Africa and even one from the Gambia. Zimbabwe nationals receive 50:50 grant/loan funding from the State while foreign students are sponsored by their own governments, the UN's Food and Agriculture Organisation, the British Council and the EC, and the faculty has asked the EC for more scholarships for SADC students under the Lomé IV regional training provision.

Veterinary students of course must become familiar with the main livestock diseases. Anyone may bring an animal to the well-equipped veterinary teaching hospital on campus for examination and treatment, giving students an opportunity to see many domestic cats, dogs and horses and even an occasional elephant or monkey. Routine visits are made to commercial farms to inspect herds of animals bred for food. In subsistence farming areas private veterinary practitioners do not find it economically viable to operate and government veterinarians are primarily involved with the control of diseases rather than the treatment of individual animals, so communal lands are an excellent source of animals for teaching and practical training. The faculty therefore runs regular clinics in communal land near the capital. Veterinarians call at local centres and farms every week to examine and treat any animals the farmers bring in. Cattle are the main livestock; pigs, goats, dogs and sheep are also seen, and almost every household keeps some chickens for domestic use. The last year has been a busy one, as many animals, if they survived the drought at all, were debilitated by shortages of fodder and water. Part of the cost of any drugs administered during field visits is recovered, but no charge is made for veterinarians' time. This ambulatory service has in the past been paid for out of the fees obtained from treating domestic animals at the hospital but the whole exercise is unfortunately under threat from spiralling costs.

The faculty conducts research of specific interest to the commercial sector in Zimbabwe, where much interest is being shown in wildlife breeding for commercial purposes. Ostriches, for example, are farmed intensively for their meat and plumes and, as pathogens affecting chickens also attack ostriches, poultry pathology is an important part of the faculty's field of study.



The Courier

Eggs are checked in the laboratory as part of research into factors affecting productivity in ostriches

The Courier

Veterinary practitioners from the faculty visit this farming family in Chinamora communal area regularly to check their oxen are in good health

Zimbabwe is able to provide jobs for all graduates of the faculty, but conditions of service are, regrettably, poor, and efforts to improve salaries and working conditions are not made easier by the austerities required during the period of economic reform. The Government would like to employ 200 practitioners in its own veterinary service by 2000 — but again, the Economic Structural Adjustment Programme calls for staff cuts in the government service, a contradiction which has yet to be resolved. Most Zimbabwean graduates of the faculty are in fact in private practice, and some have emigrated to better their prospects. ○

R.R.

Spinning a living

The Government of Zimbabwe is keen to encourage microprojects as a means of absorbing retrenched workers and keeping people in rural areas, and the EC has already given financial support for several schemes. The focus is on women's activities, as many men from the communal lands work in Harare and other urban centres so that 53% of households in rural areas — up to 70% in some places — are headed by women. The disabled, too, can make a living with the help of suitable microprojects, and there is an interesting example of this approach in the north-east of the country.

In Munyawiri in Mashonaland East province, the headman of the village donated an old courtroom and the surrounding land for a microproject which employs seven physically or mentally handicapped men and women to spin wool and carry on small-scale farming. The idea of setting up a small venture here came from the Department of Social Welfare in 1987, and the workers themselves chose spinning from a range of options available. They buy merino wool from a farm in Harare, card it and spin it on locally made spinning wheels paid for by the microproject programme and sell the finished yarn on to a development entreprise called Cold Comfort Farm for weaving into tapestries. The profit is Z$51 per kg of yarn, of which four kg are produced per week. Members split the modest profit between them and also grow maize, beans and oranges on their land (though last year, unfortunately, the drought wiped out their crop). Technical skills are taught by a worker from the Dutch development organisation SNV with support from a Zimbabwean agricultural extension worker.

This is one of the tiniest microprojects, and on its present basis it is obviously never going to make big money — in fact it may never be viable without donor support. At the other end of the scale is a mining project to which the EC has contributed Z$700 000, and there are several bakeries which have received Z$150 000 each and produce a satisfactory return. Poultry farming and horticultural schemes also operate. The microprojects are free to expand if their members have or acquire the necessary resources and aptitude, and meanwhile they give the workers involved the human dignity which derives from independence — and relieves their families and the Department of Social Welfare of some of the responsibility for them.

Saving the rhino

by Russell DORRELL *

A last desperate attempt is being made in Zimbabwe to save the rhinoceros from being eliminated completely from its natural habitat, where it is being systematically hunted down and killed for its horn, which is worth its weight in gold to the medicine makers of the Far East.

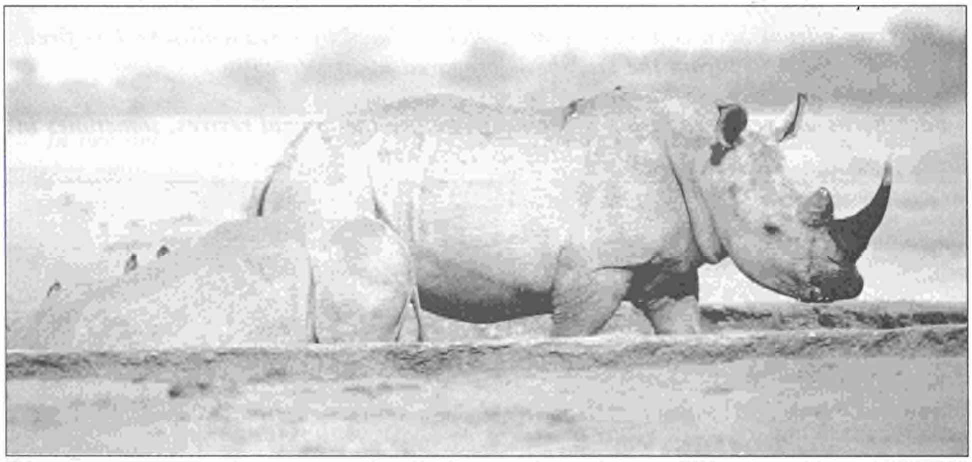
Impoverished but well armed, poachers from across the Zambezi and Lake Kariba travel by boat, and even hitch rides on the train passing through Hwange National Park, to infiltrate the bush habitat of the rhino, track it down, shoot it and hack off the horns for their employers over the border to export to Asia. The problem was recognised years ago when Zimbabwe still had one of the highest populations of black rhino in the world. However, in spite of, or even because of, an international CITES total ban on the sale of rhino horn, the black-market price of horn has risen dramatically and the slaughter of this strange, almost prehistoric-looking animal has continued unabated. In 1984 the Government of Zimbabwe launched Operation Stronghold to protect the species by taking the fight to the poachers with a 'shoot on sight' policy. Lack of equipment and operating funds, and poor pay to the Parks employees, risking their lives in a military-style operation, has meant that, although many poachers have been killed or captured, the sad truth is that 'Stronghold' has been a failure.

From an estimate of a rhino population of 1500 as recently as 1989, it is now clear from the intensive searching for the animals which has recently (1992) been going on, that only around 400 rhinos still remain in the wild in Zimbabwe and freshly killed carcasses are still regularly discovered. Following the lead of Namibia and an experimental dehorning exercise conducted on the white rhinoceros in Hwange National Park in 1991, a full-scale programme has been instigated by the Department of National Parks and Wild Life Management (DNPWLM) to dehorn or translocate as many rhino as possible from the Zambezi Valley on the Zimbabwe side and has now been under way for 18 months.

Since June 1989 the expertise of a Wildlife Veterinarian, Dr Michael Kock, employed through a European Community (EC) funded technical assistance contract has been the key factor in the success of this programme. He has developed and improved the use of sophisticated tranquillising narcotic drugs and their reversal on large animals, particularly rhinoceros, to a significant degree and is passing on the knowledge gained by working with and training his Zimbabwean counterparts.

support team, sometimes brought the last kilometre or so by helicopter, monitor temperature, pulse and respiration, cut distinguishing ear notches, fit identification tags, take blood samples, note condition and physical dimensions, estimate age and weight and in some cases fit radio collars to facilitate future observation, monitoring and consequential behavioural research.

By the end of 1992 108 white and 127 black rhinoceros had been dehorned, mostly in and around Hwange National Park and the Sebungwe region. Success has been very limited in the more remote areas of the Zambezi Valley and it is the inability of the dehorning teams to find



Dr Michael Kock

The white rhino in its native habitat in Hwange National Park.
Poachers have hunted it almost to extinction for its horn, which is believed in the Far East to have medicinal properties

In the dehorning programme of both white and black rhinoceros, the animal is located during the coolest part of the day, from a fixed-wing spotter plane or by ground tracking, and then darted from a helicopter. It takes only a few minutes for the drug to take effect. The helicopter, with the Wildlife Veterinarians on board, then lands close to the sedated animal, a partial antidote is administered immediately to restore near-normal pulse and respiration and the ground support crew is called in by radio to the nearest point accessible by landrover. In carly dehorning operations a hand saw was used but this procedure proved too slow, resulting in overheating and dangerous stress to the tranquillised animal. Dr Kock introduced the use of a petrol-engine chain saw and the time from darting to total revival of the dehorned animal has now been reduced in many cases to as little as 15 minutes. While the two horns are being cut off the ground

the black rhino indigenous to these areas that has led to the drastic reduction in the population estimates for the species in Zimbabwe. In addition to the dehorning, rhinos have been captured and transported away from the Zambezi Valley on to private game reserves, into other national parks and overseas for captive breeding programmes to the USA (Fossil Rim, Texas ranches etc.), and a further nine animals to Western Plains Zoo in Australia. In time, if the breeding programmes are successful, these institutions have agreed that it may be possible for progeny of the translocated animals to be returned to their habitat and country of origin.

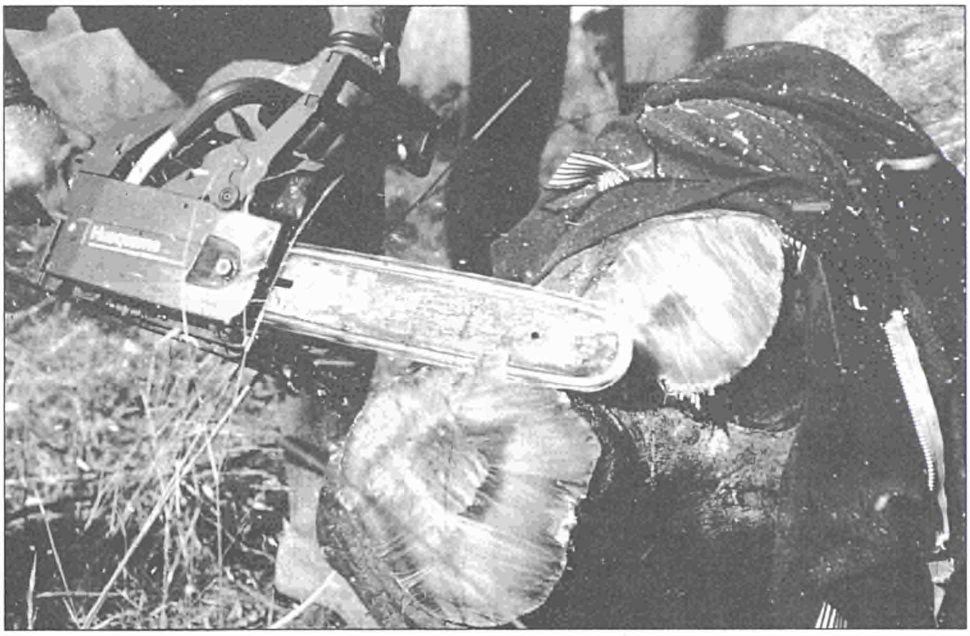
A question often posed is what happens to the behaviour pattern of the dehorned rhino? In the case of the Zimbabwe programme, a PhD student of an American University has been sponsored by several donors to study the effect that dehorning has on all aspects of

* Regional Director of a British agricultural and environmental consultancy firm in Harare, Zimbabwe.

Dr Michael Kock

This cow's front horn is a metre long. Safely sedated by a tranquilising dart fired from the air, she is prepared for treatment

Both horns are removed, using a chainsaw, before the animal revives, sometimes in as little as 15 minutes



Dr Michael Kock

behaviour of the dehorned animal, from winning a mate and mating to defence of itself and its young and foraging. Janet Rachlow will be living and breathing rhinos for the next three years in Hwange National Park and her findings will be crucial to the long-term prognosis for the programme. Already she has observed a dehorned rhinoceros cow vigorously defending her calf against a pride of lions — perhaps the removal of the horn improves its vision. However, tourists have been heard to complain that the dehorned animal loses some of its appeal! It is also significant to recognise that the horn grows again at a rate of 6-9 cms per year, depending on nutrition, and in a matter of 2-3 years the amount of regrowth of horn may again become attractive to the poacher. Results to date in Namibia and early observation in Zimbabwe indicate that the dehorned animals are not being killed unless it is occasionally out of poacher frustration or where visibility at night, when rhinos are frequently on the move and foraging, prevents the hunter from seeing whether the animal has a horn or not.

Furthermore, what happens to the horn which has been collected from the dehorning operation? Currently millions of Zimbabwe dollars worth of horn are held in secure vaults. The Government has made application to sell the horn in a carefully controlled way to raise money to be invested in the protection of this highly endangered species, maintaining that the long-time ban on sale of horn has clearly done nothing to achieve this objective. Unlike ivory, where there is also a Southern African lobby to re-introduce controlled selling, a rhino horn is comparatively small and easy to hide, can be cut into pieces or ground down to powder and put into small packets losing little, if any, of its value and in this form has a similar chemical composition to human fingernail and other animal products, making place of origin difficult to prove by those attempting to enforce the law.

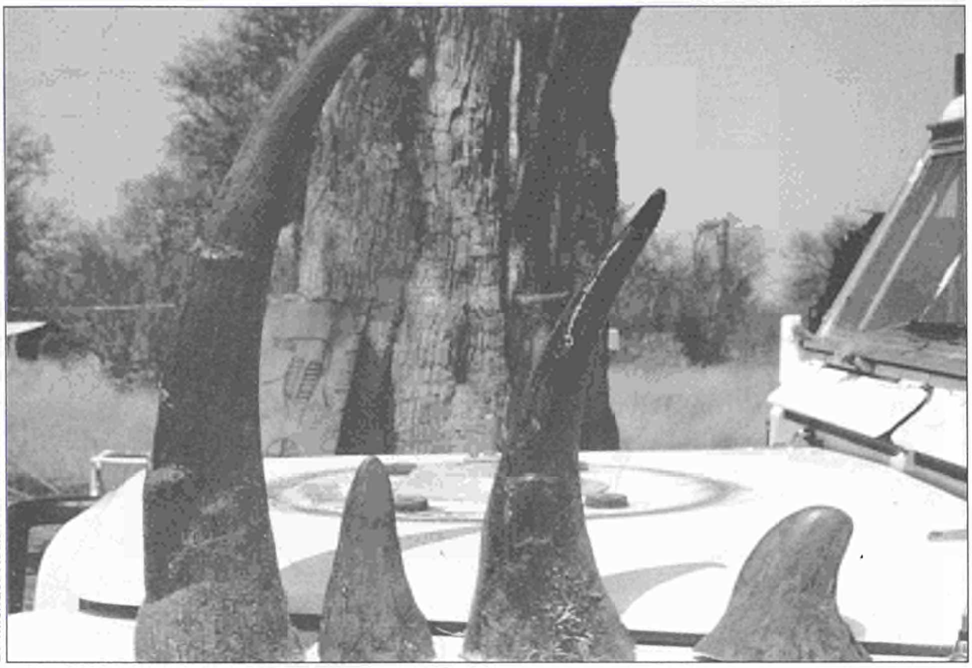
Meanwhile the dehorning programme has almost come to an end in 1992 with the onset of the rainy season but the poaching continues and raising finance for future dehorning and anti-poaching operations becomes more and more difficult. The economy, social needs and politics of Zimbabwe simply do not allow the allocation of the extremely large amount of finance that the DNPWLM needs to manage its parks and protect endangered species effectively. Yet Government has the dilemma that the foreign exchange income from tourism is vital to support its expenditure on health, education and infrastructure.

The plight of the rhino has reached a high profile in terms of public awareness internationally thanks to the activity of Zimbabwe-based NGOs, Dr Kock by public speaking and publishing papers, and the DNPWLM staff in patiently assisting several film and TV crews and reporters to observe and film the dehorning operation during the 1992 dry season. Much of this film and TV material will be appearing in the near future on our screens and it is hoped that further financial donations to the programme will result.

Apart from the financial support from the EC through the TA programme, other international and Zimbabwean organisations have made major contributions and the Zambezi Society has the responsibility for collecting and administering the donations. These funds are used to purchase drugs and equipment such as dart guns and radio collars, pay for pilots and aircraft, both fixed-wing and helicopters, and all associated running costs and support of an elaborate field operation in remote parts of the bush. It is estimated that it may cost as much as US $1000 per animal to carry out dehorning.

It is often asked whether using the money for dehorning is the most effective way to deter the poachers. It may be important to learn some lessons from, for example, the problem of elephant poaching in the Luangwa Valley in Zambia. It is believed that the tactic here was to set up a network of well-paid informers and to use the 'poacher turned gamekeeper' approach by employing ex-poachers and paying them well. However, in Zambia they have lost practically all their rhinos and when controlling the ivory poaching most of their problems were internal. The illegal trade in rhino horn and the resultant threat to the survival of the species could be stopped by killing the market for the product by discrediting its effectiveness to the end user, but this could take a century to achieve, by which time it will be too late for the rhino. To continue with the present losing 'holding operation', and be resigned to the fact that the only future for the rhino is in captive breeding and protection in confined and well-guarded national parks, is unacceptable to the many dedicated conservationists in Southern Africa. Most practical-minded people are now advocating controlled legal trade based on sustainable use as the only viable solution.

Controlled selling of a product similar to horn which is artificially manufactured but has genuine horn as part of its composition would maintain a high price for legally procured horn but possibly make an acceptable alternative product more readily and cheaply available, thus satisfying more of the demand. Monitored by CITES, the sale proceeds could be used to assist genuine attempts by Governments to convict illegal buyers and traders. This could be most effectively done by paying large incentives to informers. However, the big problem with this approach is who the buyers are and what their status is, as corruption within Governments is not unknown.

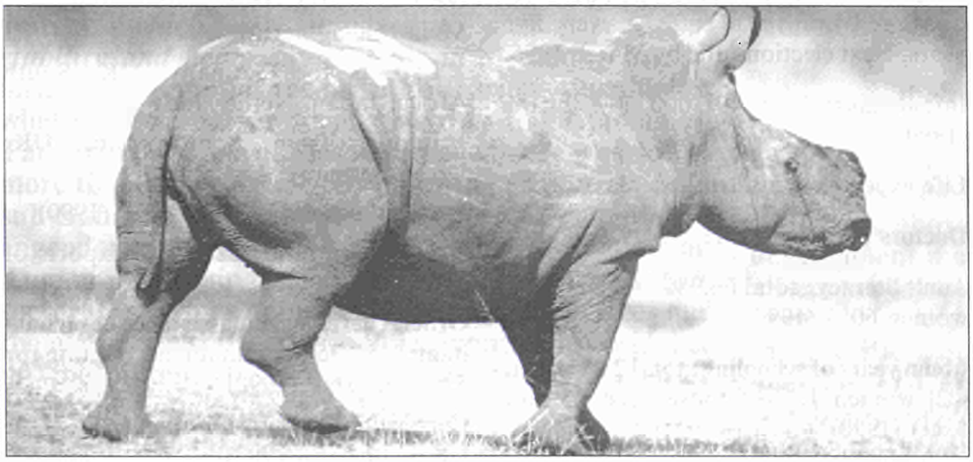


Dr Michael Kock

In one dehorning exercise, 241 kg of horn were removed, representing a black market value of US$ 500 000. Zimbabwe wants to raise money from controlled sales to pay for conservation

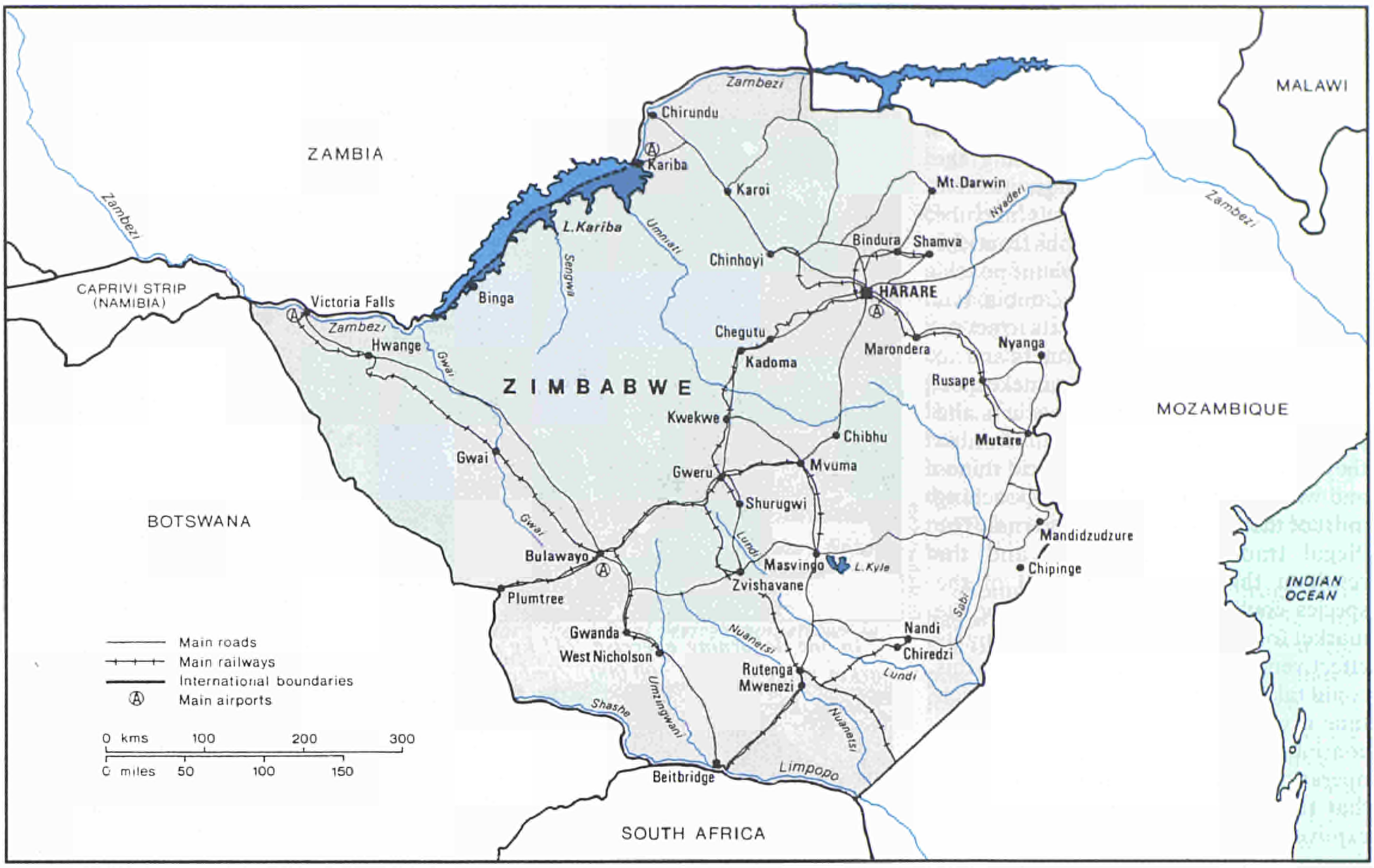
In the final analysis it is a question of priority for finance and action. The EC and other international donors will hopefully continue to support programmes like the Wildlife Veterinarian Technical Assistance in Zimbabwe, but aid agencies may have to accept that governments of relatively newly independent and still developing countries may not be able to give the saving of endangered species a high enough priority in their allocation of meagre budgets for them to take over responsibility when the aid stops. Kenya is in the process of converting its Department of Wildlife into a self-financing organisation and, provided Government does not dip into the coffers for 'priority social needs', the lucrative tourist industry should provide ample funds for the country's wild life and parks to be managed and conserved for the enjoyment and education of future generations. Zimbabwe is also considering the merits of following this policy and it will be a far-sighted Government which supports this strategy.

If the world's wildlife is to survive in its natural environment, and western public opinion is adamant that it must, then aid agencies may have to continue to use their own taxpayers' money towards achieving this objective for many years to come. However, 'Aid to conserve' cannot be the long-term solution and in Zimbabwe, where great strides have been made with programmes to bring income to the people through the sale of hunting, tourism and wildlife products, this view is strongly held. While current trade bans are upheld progress in enabling wildlife to pay for its own protection is being frustrated. ○ R.D.



Dr Michael Kock

Back to the wild. Numbered animals will be monitored for three years to determine if dehorning provides effective protection



Profile*

Land area: 390 759 km²

Languages: English, Shona, Ndebele and several local dialects

Population:
number: 9.8 millions (1990)
spread: 28% urban, 72% rural (1990)
density: 251 per 1000 ha (1990)
growth rate: 3.1% per annum

Main towns: (1983:) Harare (681 000), Bulawayo (429 000), Chitungwiza (202 000); (1982:) Gweru (78 900), Mutare (69 600), Kwekwe (47 600).

Political structure:

— Unitary republic.

— Head of State: president (currently Robert Mugabe).

— Government: the president and a cabinet appointed by him.

— National legislature: the House of Assembly has 150 members, 120 representing geographical constituencies, 12 appointed by the president, plus eight provincial governors and ten customary chiefs.

— Presidential and parliamentary elections are by universal suffrage every five years. Next elections due by March 1995.

Infant mortality: 49/1000 live births (1990)

Life expectancy at birth: 61 years (1990)

Doctors per inhabitant: 1/7429 (1986)

Adult literacy: total 66.9% — men 74%, women 60% (1990)

Mean years of schooling: total 2.9 — men 4.2, women 1.7 (of those aged 25 and over) (1990)

GNP per capita: US $640 per annum (1990)

Real GDP per capita: PPP $1469 per annum (1989) [1]

Main exports: Tobacco, gold, ferro-alloys, nickel

Main imports: Machinery and transport equipment, manufactures, petroleum products and electricity, chemicals

Main trading partners:

Exports to: Germany, UK, South Africa, Japan, Netherlands

Imports from: South Africa, UK, USA, Germany, Australia

External debt: 54.1% of GNP (1990)

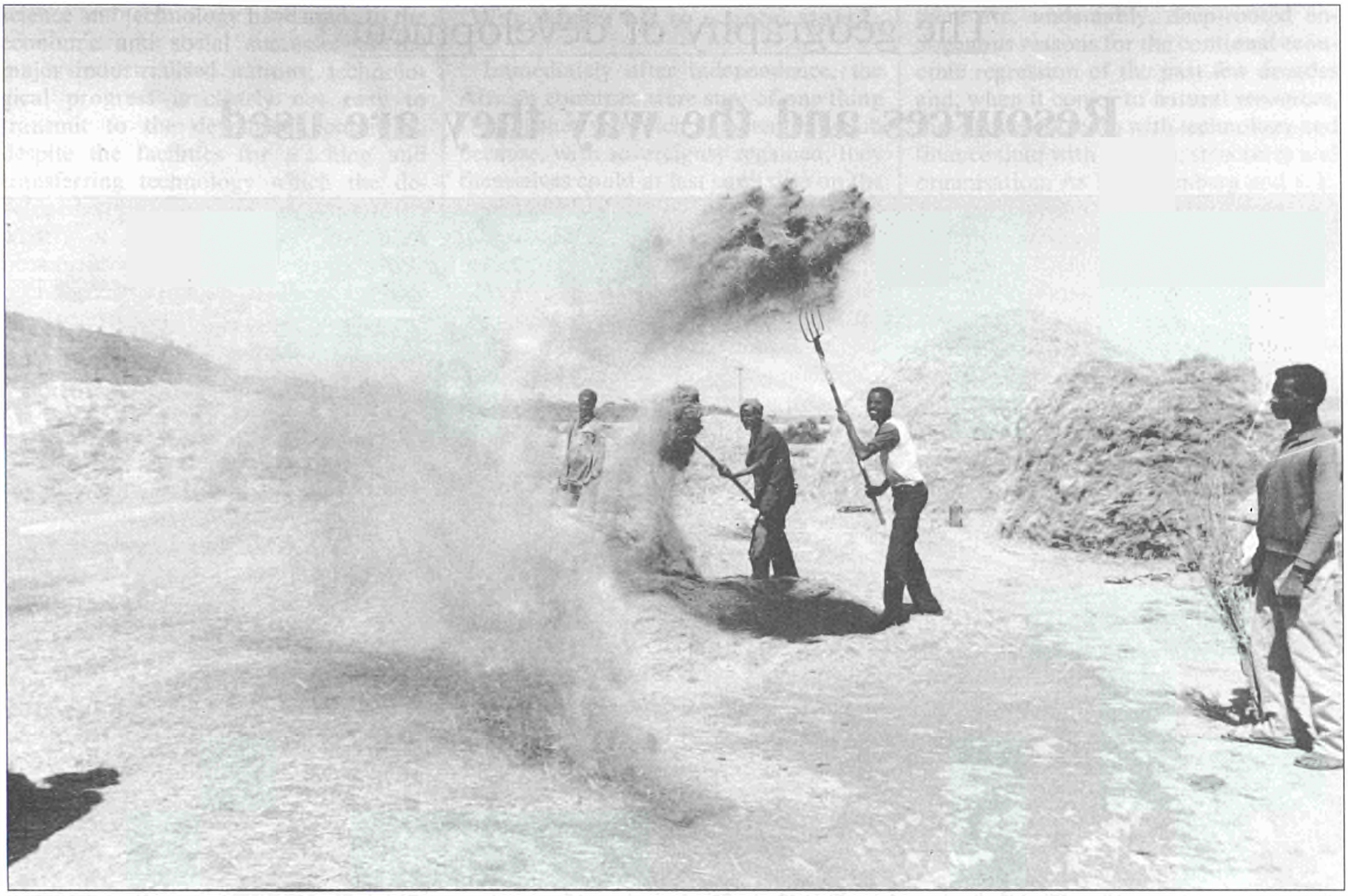
Debt service ratio: 22.6% of exports of goods and services (1990)

Official development assistance per inhabitant: US $35 per annum, accounting for 5.5% of GNP (1990)

Currency: Zimbabwe dollar (Z$7.74 = US $1 in April 1993)

* *Sources:* UNDP, Eurostat, World Bank.

[1] PPP = purchasing power parity.



Factors in development

Among the non-industrialised countries, the African states show the most marked characteristics of underdevelopment. Whereas it was believed for a long time that these states' economies suffered primarily from a lack of technology and financial resources, it should be acknowledged today that this approach has been mistaken. Oil, other precious or strategic mineral and agricultural resources, the single party system *(which was supposed to provide political stability and hence be a factor in attracting investment)*, systematic recourse to various ideologies, whether external or local (such as the Ujamaa of Tanzania) — none of these succeeded over a period of more than three decades in endowing the countries of sub-Saharan Africa with structures capable of engendering sustainable and lasting development. Among other things, the problems of the agriculture sector, the serious deterioration of health services and the acute crisis affecting public finances are evidence of the extent to which previously implemented economic policies have failed.

The aim of this Dossier on the factors in development is to examine some of the key elements which have been identified and which are thought to have a decisive part to play in the various processes leading to the economic and social development of non-industrialised countries. It cannot be an exhaustive treatment but an attempt is made to analyse what has happened in countries (notably in Africa) which, with different starting points in terms of natural resources, financial and technical back-up and national or regional dynamics, have nonetheless failed to achieve economic take-off.

Among the causes of failure, the absence of democratic structures which could have provided for better control of government economic policies is one which is increasingly being invoked. But there is also — indeed, above all — the related fact that debate on development models has been suppressed in favour of all-encompassing formulae. In other words, there has been an absence of development objectives anchored to the specific conditions and needs of the countries in question and which, furthermore, define the way in which the available resources — whether natural, financial, technological or human — should be used. The contributors to this Dossier seek to tackle some of these questions. ○ L.P.

The geography of development

Resources and the way they are used

General view of the copper plant area at Nchanga (Zambia)
A society's economic capacities are not a direct function of its natural assets

Development does not favour countries outside the so-called temperate zones. Various theories attempt to account for this, but let us start with the economic geography theory of, in particular, Tibor Mende and Pierre Gourou, who saw 'unhealthy climate and poor land' as the main handicaps of economic development in the tropics — an idea which still shapes many an analysis of the backward economic performance of countries in the tropics and goes back a long way, to the period between the Wars. Since then, however, we have made great strides in our understanding of the ways in which the developed nations have managed to escape poverty and espouse prosperity. Some of the commonest explanations highlight science and technology, but although a great deal of progress would have been a matter of chance, out of the question even, without them, did they actually do it all on their own? It is a matter for endless debate. One thing is clear. Technical inventions have capitalised on existing factors of improvement and this has led some people to suggest that science has only a relative role to play. If science were sufficient for development, then, say, China, with the lead it originally had in this field, could have been ahead of the West in economic development. The idea can easily be applied to the developing countries of Africa too. Without denying the importance of the contribution which science and technology have made to the economic and social successes of the major industrialised nations, technological progress is clearly not easy to transmit to the developing countries, despite the facilities for teaching and transferring technology which the developed world may have. So, to quote the writers of a book on how the West became prosperous, science cannot have been the sole cause of the economic achievements of the Western world.

Natural resources and the way they are used

Another very common explanation is of course that the industrialised nations are wealthy because of their natural resources or because they 'can obtain other people's natural resources on better terms'. Conquests in the name of raw materials have triggered many a development theory over the years, particularly from Karl Marx, who cited the cornering of raw materials from abroad as one of the reasons for the prosperity of the West ever since the 16th century. The belief that there is a direct link between economic results and the possession of raw materials is still strong. It has taken hold in the developing countries, of that there is no doubt, and when they took their own economic destinies in hand, they relied on their natural resources, with the idea that the more resources they had, the better their chances of developing. Basically, the African States founded their development policies and even relations with their neighbours on the exploitation and defence of such vegetable and mineral assets as were on or under their ground. Oil was one such asset, meant to set a direct and reliable path to economic progress. Others — copper and other strategic minerals in Zaire and Zambia, iron in Mauritania, phosphates and groundnuts in Senegal, coffee and cocoa in Côte d'Ivoire and Ghana, uranium in Niger, cotton in Chad and sugar cane in the Caribbean, for example — brought a similar feeling of being in possession of factors vital to development. But some places were seemingly not blessed by Nature. Burkina Faso and Mali, for example, fought each other in 1987 over 'a couple of reefs of gold' which had apparently been found. As an article in Le Monde put it, 'the battle tailed off, but the myth of buried treasure lingered on... Africa believed in a miracle doomed to be revealed as a mirage'.

Was Africa off to a good start?

Immediately after independence, the African countries were sure of one thing — that they were rich or potentially rich because, with sovereignty regained, they themselves could at last capitalise on the raw materials which, they believed, the industrialised world had solely or at least mainly to thank for its development. There was no doubt that basic resources were needed — although neither Switzerland nor Japan had the advantage of such things in building up their undeniably successful economies. Africa's feeling of being rich was also first sustained and then heightened by the misguided idea that aid and cooperation meant that it could skip some of the stages of development and jump straight from the era of the scribe into the era of the computer. But had it reckoned right? Could it take such gigantic strides?

In a book which created a stir in 1962, René Dumont said that black Africa had got off to a bad start, although he did maintain that science could rectify mineral deficiencies in the soil and make up for the inadequacies of the land in many places, a prediction which proved to be absolutely right because of the policies which were used. Natural conditions are not an insurmountable barrier to African development, Dumont said, particularly given the continent's enormous energy and mineral resources and the fact that modern agricultural techniques are good grounds for greater ambitions. When agriculture lags behind, it will always slow things down and may sometimes entirely block every avenue to rapid economic expansion, he cautioned. At the time, new African leaders and metropolitan governments alike denounced this diagnosis of the future of the continent and its development as 'interference in the States' domestic affairs... and a refusal to allow their leaders to run any independent policy'. Indeed, most of them banned the book. But what do we find today? That Africans do not produce what they consume and do not consume what they produce — and are in fact producing less and less. Although history itself was partly to blame for this, 'the Africans alone are responsible for the economic backwardness of their continent', Dumont made clear.

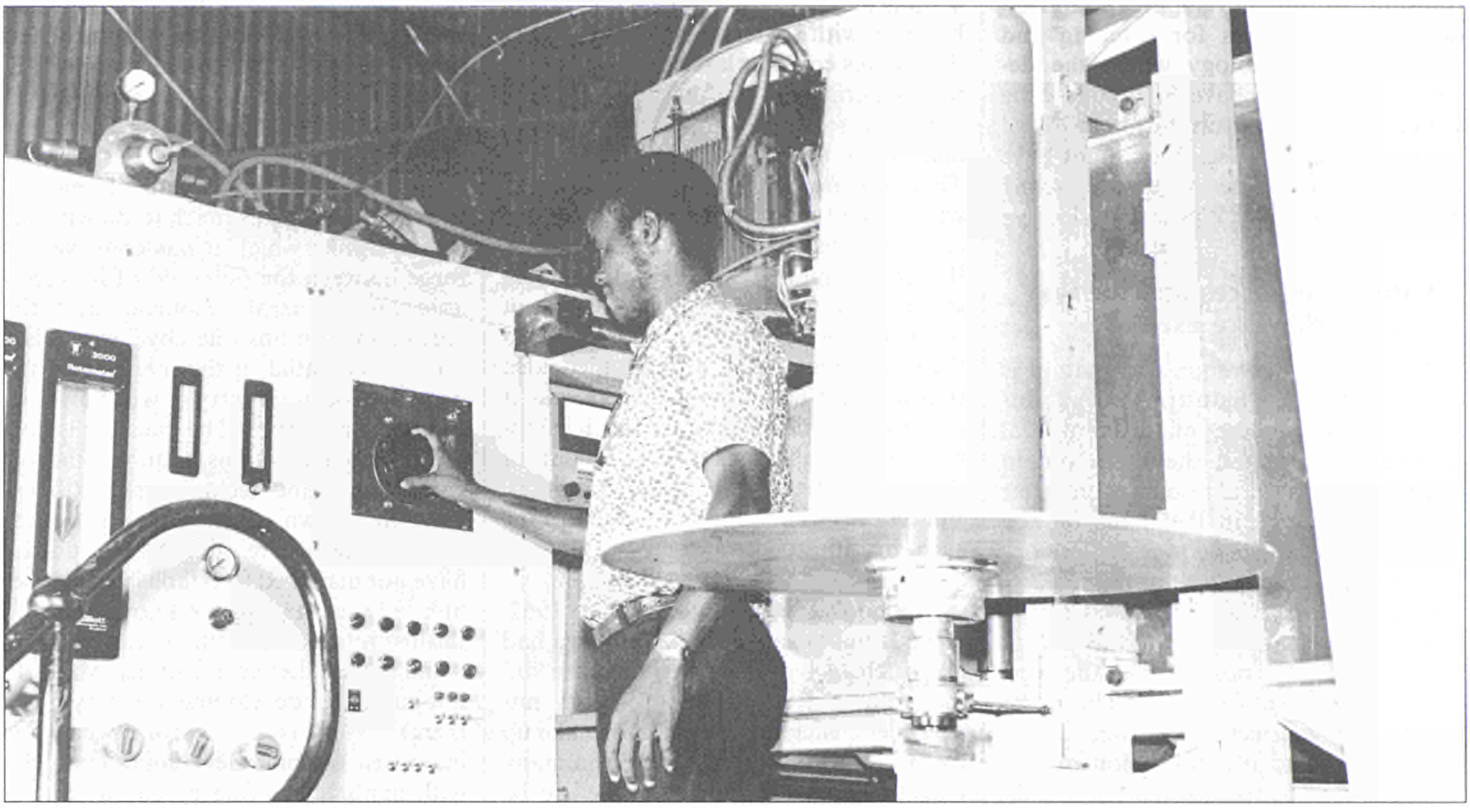
Going beyond the real difficulties facing ACP economies in world trade, there are, undeniably, deep-rooted endogenous reasons for the continual economic regression of the past few decades and, when it comes to natural resources, these have less to do with technology and finance than with politics, structures and organisation. As N. Rosenberg and L.E. Birdzell have said, any explanation based on natural resources comes up against the fact that a society's economic capacities are not a direct function of its natural assets. They have as much to do with the internal links which it has contrived to forge between the potential of its vegetable and mineral resources and the various institutions whereby it capitalises on that potential in the interests of the people. So a country's wealth is its economic resources. The question is how the developed nations acquired the organisational and technical skills to exploit their own resources or resources obtained elsewhere. The ACP countries have not managed to establish this direct link between having the know-how and the institutional structure to capitalise on it and having the raw materials (which do not guarantee development just by being there) — as is clear from what has happened to some developing countries with major and often much envied natural resources. One of the most significant examples of the only relative importance of natural resources — over and above the fact that there are some developing countries which do not have any — is the oil-producing countries, whose position in the world economy is poor compared to what it was before the successive oil shocks of the 1970s. There is certainly little chance of growth where economic structures offer no incentives to those in a position to contribute to it, Rosenberg and Birdzell point out.

The development potential of Africa is great and both the desire to realise it and the means of doing so have been evident. So why have the economies of the countries there declined so rapidly? And why is there no structure capable of sustaining genuine, secure growth? The real causes of under-development have yet to be discussed, particularly by those most closely concerned. Africans tend less to manufacture and even less to create 'developed' products than to consume them, Gilbert Comte reported in a book on Africa between 1871 and 1936. So what's new? ○

LUCIEN PAGNI

Technology and Development

by Stephen McCARTHY *



Sophisticated foam production in Nigeria. To what extent does such technology actually contribute to industrial take-off?

We are all familiar with poles of high technology in poor countries — the highly sophisticated mine in the middle of an African desert, the possibility of direct dialling anywhere in the world from some remote Pacific island, the data processing industries which are appearing in a number of Caribbean countries. What role do these poles of technology really play in the national development of the country concerned? Are they merely isolated enclaves having very little relationship with the society and economy around them? Indeed, what is the nature of technology and how do we go about identifying it? How is it transferred from one country to another?

In this short article, I would like to suggest that technology in fact comes in three forms, embedded in machines, internalised in people and captured within certain types of organisation. For example, African countries can easily import sophisticated jet aircraft, the machines, and train African pilots, the human capital, but they also need the organisational know-how to make airlines work. By and large the latter type of technology transfer has not been very successful, at least within Africa, and towards the end of the article I propose to focus on this problem.

The embodiment of technology within machines is very obvious. When a manufacturer develops or improves a machine he designs technology into it; the machine works by using certain understood technical processes. When that machine is sold from one country to another, a transfer of technology takes place. When the machine is scrapped and replaced with a newer model there is a further technical transfer since the newer machine includes improvements on the old.

This form of technology transfer is extremely important. Research work done by Professor Larry Summers, formerly Chief Economist at the World Bank, and his colleagues shows that the rate at which a country invests in machines has a particularly strong influence on its economic growth. Of course the machinery investment has to be efficient and suitable for the purpose. The former Soviet Union also invested heavily in mostly outdated technology without, in recent years, achieving significant economic growth. For the same reason there must be some question marks over the appropriateness of some of the so-called 'appropriate technology' in developing countries.

One explanation for the strong influence of machinery investment on economic growth may be its interaction with human capital. The new machinery is not only productive in itself but it also enhances the skills and abilities of the people who use it. They learn by doing. It is easy to think of the introduction of personal computers as a very obvious example of this, but the process applies to more directly productive machines as well.

Technology is also to be found within people. It might be said that at school, people learn the 'know what' of life, including the essential skills of reading,

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writing and manipulating numbers, on which everything else is built. Indeed, it has become commonplace today to insist on the importance of education as a major factor in development. People who do not have the essential skills and 'know what' of the modern world will find it very difficult to adapt to and absorb new technology — though outside 'experts' have many times underestimated the agricultural knowledge of ordinary, unschooled African and Asian farmers.

But formal education is not enough. Technical skills themselves come more in the form of 'know-how' and that is acquired through practical and specialist training and particularly through work experience. So although 'human capital' is partly developed through formal education, this is not quite the same as the acquisition of useful technology. The armies of unemployed school and university graduates in many developing countries unfortunately bear witness to this.

Thus there are important questions about the type of formal education which will make people most receptive to technological transfer. A degree in political science is less useful in this respect than is one in engineering, though both might be considered equivalent in a crude measurement of human capital. Equally important is the question of whether, when educational resources are limited, they should be concentrated on mass education at the primary level or on higher level education for a smaller elite. Developing countries often assume that the most important requirement is for highly qualified and educated people. In fact, economic research suggests that the benefit cost ratio for primary education is higher than it is for secondary and tertiary education. The implication is that the acquisition of 'know-how' may not necessarily demand high levels of 'know what'; that is of formal education. All societies are full of examples of men and women who with very little basic education have gone on to make the most of their potential and to achieve great things.

Technology also takes a third form which is perhaps more difficult to acquire and master but is increasingly important in the modern world. That is the knowledge and skills captured within firms and businesses concerning how to organise production. To take a simple example: many government-owned African business or tourist hotels have become run down and fail to deliver a satisfactory service. To revitalise them they are proposed for privatisation. An external hotel company may come in and buy the assets, perhaps for a very low price. If all goes well, before very long the functioning of the hotel is transformed. There has been no obvious physical technology transferred nor, very often, has there been much increase in human capital, since most of the work continues to be done by the same local employees, indeed often by fewer employees than before. But there has been an input of organisational 'know-how', making the hotel work as a social organisation and a business. I cite the example of a hotel because no high level technical sophistication is required, but the same phenomenon occurs of course where industrial enterprises or mines are privatised or taken over by foreign companies. In short, knowing how to produce or to deliver a service is also a crucial aspect of technology.

Such skills are of course also found, up to a point, in individual entrepreneurs, who also have a role to play. I do not want to minimise the role of free-wheeling entrepreneurship in economic development, but rather to stress the additional importance of the social organisation which the modern firm or company represents. As repositories of know-how, productive companies, including multinational corporations, are often greater than the sum of their parts, the individuals who work in them. Such organisational knowledge is neither embedded in machines nor in individuals as such. It cannot simply be acquired by reading books, though this may help, or by hiring consultants, as the shelves of unimplemented consultants' reports in every developing country demonstrates. Rather it is to be found in the organisations themselves.

Transferring this type of technology raises all sorts of problems as the troubled history of relationships between developing countries and multinational corporations shows. At one extreme, particularly in the past, many developing countries considered that they did not want to have anything to do with multinationals, which they felt merely exploited the natural and human resources of the host country, extracted profits, did not adapt to local circumstances and left nothing behind. Currently there is a danger of going to the other extreme; of believing that developing countries need do no more to promote industrialisation and technology transfer than to open themselves up to foreign investment, without considering how to maximise the benefits of this investment in terms of a permanent transfer of skills and 'know-how'.

In this context, the recent economic history of the East Asian NICs, which have been among the most successful of developing countries with all forms of technology acquisition and transfer, is instructive. Different countries had different approaches. Only Hong Kong adopted a purely market oriented, *laisser faire,* policy. Singapore actively encouraged direct foreign investment by multinationals and a major part of Singapore's industrial sector is now foreign owned. The approach of Korea and Taiwan was more subtle and ambitious. While initially, they may have concentrated on the first two aspects of technology transfer, importing machines and training their young men and women in science and technology, as time went on they also actively sought out productive organisational 'know-how'. For example, they did not just import machines but sent their embryonic engineers to see how the machines were designed and made, how they worked and how they fitted into the production process in other countries and factories where they were already being used. Eventually they established their own domestic capability to undertake research and development, and to innovate. We come back to this below.

The ability to identify problems and the know-how to go about solving them

Some economists, for example Professor Paul Romer, approach these questions in a slightly different way and talk of the role of 'ideas' in economic growth and development. An idea is not quite the same as technical knowledge; it is more an ability to identify problems and the know-how to go about solving them. It is similar, though not identical, to the notion outlined above of some types of technology or 'know-how' being locked up in organisations. Professor Romer himself cites the case of Mauritius as an example of a country which was suddenly transformed by the introduction of new ideas, in this case the knowledge of how

A rudimentary traditional loom in Addis Ababa.
'Technology is also to be found within people'

to build a textile industry and to market its products.

The important insight of this work is that, by contrast with other factors of production, market economics does not apply to ideas. The owner of an idea can sell it to someone else, or have it stolen, but he still has it after the transaction. Indeed all the legislation and rules concerned with intellectual property, such as copyright and patent laws, are directed at this peculiar feature of ideas as an economic good. The implication for developing countries is that there will always be possibilities for importing ideas, though sometimes at a high price. The price may take the form of a licence fee to use a particular technology or trademark, but it may also appear, for example in the previous case of the privatised hotel, as an apparently excess profit being earned by a foreign investor.

There is another feature of ideas, however, which is disturbing for developing countries. Unlike most economic goods which are subject to diminishing returns, ideas have increasing returns. An organisation or an economy which is rich in ideas, such as Silicon Valley in California, can find itself in a virtuous circle in which success reinforces success. By contrast, economies poor in ideas, as most developing countries are, may find themselves trapped in a vicious circle, on the outer fringes of innovation and constantly having to import new ideas from outside. So foreign investment and involvement will remain a permanent feature of developing economies, just as it already is in the industrialised countries. In addition, as global production becomes more technology-driven, the one advantage which developing countries have had in the international division of production, low labour costs, is becoming a less important criterion in industrial location decisions than it used to be.

These are all rather new topics in development economics and their implications are not fully understood. What is important is that, whether we talk about 'ideas' or about organisational technology locked up in firms and multinationals, developing countries have to find more effective ways of accessing or acquiring this type of know-how. Openness to external ideas and influences, and indeed to foreign investment, is something which no developing country can afford to do without. But pure *laisser faire* may not be sufficient as an industrialisation strategy. Institutions have to be developed, skills built up, licences negotiated, markets developed, technology adapted to local circumstances, embryonic industries supported and even protected for a limited period. The task will not be easy. Indeed, to implement fully the very active, interventionist strategies which were adopted by Korea and Taiwan probably requires a higher degree of national cohesion and consensus than exists in most developing countries. Yet, at the other extreme, the very minimum that an external investor will be seeking from a host country will be a stable and predictable political and economic framework. Many countries still have to work hard just to achieve that. ○ S.Mc.

On monetary and financial factors in development

by Omotunda JOHNSON and Jean-Claude NASCIMENTO *

Among other things, financial assets and instruments facilitate mobility of capital in response to economic opportunities, while financial institutions play a central role in developing payment instruments, managing the payments system, and mediating between savers and investors. As the financial system becomes more open, competitive and efficient over time, clear benefits result. The menu of financial assets increases to satisfy the varied needs of savers and investors, the spreads, commissions and brokerage fees for financial services decline as a fraction of the value of the underlying transactions; financial markets become integrated nationally and internationally; the rates of return on real investment in different sectors tend to be balanced on the margin after adjusting for risk premia; and financial assets become more attractive to savers as ways of holding wealth, so encouraging financial deepening.

Public sector policies and the financial system

A number of policy measures can promote financial development. First is an appropriate macroeconomic (fiscal, monetary and exchange) policy framework in pursuit of low inflation, actual output growth equivalent to the potential of the country, and a sustainable balance on current international accounts.

Second, the legal and regulatory framework is vital to the health and safety of the operations of financial institutions, improving the environment for financial innovation and risk-taking and reducing the risks of systemic failures, by establishing minimum standards of conduct and by defining, allocating and enforcing property rights. This role is often buttressed by explicit supervisory powers being granted to some official body or bodies.

Third, national authorities have directly intervened to promote financial sector development through training (such as banking institutes), through targeted assistance (financial and non-financial) in support of private initiatives, and through equity participation in financial institutions by the public sector. A good part of such assistance has not proven not to wise use of some nations' resources, prompting recent reappraisal of the role of the public sector in this broad area.

Currency and banking arrangements in economic development

A country can choose among a wide array of currency and banking arrangements. Given domestic political and social realities these arrangements will have implications for the efficiency of monetary management, for development of the country's financial system and for saving and investment.

The objectives of currency and banking arrangements would include maintenance of domestic monetary stability; safeguarding the international value of the domestic currency; developing and maintaining links with the international financial (especially banking) community; and promoting the development of domestic money and capital markets.

One choice for a country to make is whether to have its own currency, operate a common currency with other countries or adopt the currency of another country. If a country chooses to have its own currency, it must decide the exchange arrangement for determining the external value of its currency, namely: independently floating; pegging to a given foreign currency or basket of currencies; or participating in a currency union arrangement with fixed exchange rates between the different national currencies in the union. Yet another decision is whether the country wants to specify a statutory minimum ratio for foreign reserve asset backing for its currency. Finally, a country must choose between some currency board arrangement and an independent monetary authority such as a fully-fledged central bank.

A country adopting the currency of another avoids the expense of printing money and operating a central bank. If the adopted currency is a major international one, the home country may benefit from confidence among savers and investors. But the adopting country is prevented from capturing the seignorage that could flow from printing money and must generate balance of payments surpluses for its currency supply to grow.

A common currency arrangement involving several countries can increase the attractiveness of the (common) domestic currency as a medium of exchange and as a store of value, while eliminating some cost of currency conversion. Furthermore, the countries can benefit from pooling international reserves, reducing reserve 'need'. A common currency, moreover, does not deprive the members of the seignorage which accrues from printing currency. Such a union demands a high level of monetary coordination among the countries and is most appropriate when they are ready to work with a common central bank. The countries will also need to coordinate domestic fiscal and external debt policies and promote intra-union factor mobility.

In the classic currency board arrangement, such as the West African Currency Board (WACB) set up in 1913 and dissolved in the early 1960s, fixed parity is maintained between the local and a foreign (major) convertible currency. The board is obliged to convert the local currency into the reserve currency, and vice versa, at the parity, net of any buying and selling commission charges. This requires that the board maintain 100% foreign reserve cover for domestic currency, although, as in the case of the East African Currency Board (EACB, set up in 1919 and also defunct), some unbacked currency issue (seasonal credit in the case of the EACB) is possible if done conser-

(Continued p. 66)

* International Monetary Fund. The views expressed in this paper are those of the authors and do not necessarily reflect those of the IMF. The comments of several IMF colleagues are acknowledged without implicating them for any errors and omissions contained in the paper.

Table 1: Selected economic and financial indicators of countries inside versus outside a currency area, 1976-90

	Arithmetical Average				Coefficient of Variation			
	CAMA	Non-CAMA	ECCA	Non-ECCA	CAMA	Non-CAMA	ECCA	Non-ECCA
	Average annual percentage change				%			
I. 1976-90								
Nominal GDP	10.7	22.1	23.2	14.1	109.2	42.1	32.6	39.6
Real GDP [1]	2.6	2.6	5.2	2.1	315.4	66.5	40.4	217.4
CPI (1985-100) [2]	8.5	20.2	7.6	12.9	56.5	31.2	97.4	31.6
Broad money	13.1	21.0	13.6	15.9	102.8	31.0	27.9	22.3
Net foreign assets [3]	−0.1	−0.6	2.4	−4.9	—	−140.7	229.2	−222.5
Net domestic credit [3]								
Total	15.4	25.7	13.7	15.2	05.1	49.4	29.4	64.5
To government(s)	0.5	11.9	1.4	3.2	4570.6	91.5	350.0	229.4
II. Sub-period I [4]								
Nominal GDP	17.7	23.0	15.6	13.8	42.5	46.7	25.0	47.5
Real GDP [1]	4.4	2.3	5.0	2.6	218.5	116.2	48.0	67.7
CPI (1985-100) [2]	10.9	22.2	13.8	12.9	28.0	82.9	55.1	28.8
Broad money	20.3	21.3	13.7	15.8	46.6	82.4	82.8	10.3
Net foreign assets [3]	0.5	−11.3	−0.1	1.4	1524.0	−100.5	61.8	540.5
Net domestic credit [3]								
Total	21.7	32.8	16.7	16.4	45.5	24.3	26.9	57.9
To government(s)	0.2	15.4	3.2	4.2	4578.6	57.7	103.1	197.4
III. Sub-period II [4]								
Nominal GDP	−3.1	20.2	11.1	14.3	−103.9	6.4	29.7	31.6
Real GDP [1]	−1.1	3.3	5.3	1.7	−262.4	26.4	30.2	60.1
CPI (1985-100) [2]	3.5	16.4	3.0	12.9	109.1	12.1	33.3	33.8
Broad money	−1.2	20.5	18.6	16.1	−602.4	27.4	22.8	25.1
Net foreign assets [3]	−3.0	−3.2	4.4	−10.4	−330.6	−367.8	109.1	100.5
Net domestic credit [3]								
Total	2.9	11.6	11.0	12.5	312.9	66.8	41.8	64.7
To government(s)	1.8	5.0	−0.2	2.4	294.9	226.2	2750.0	247.2

Source: IMF, International Financial Statistics Yearbook, 1992; and authors' calculations.

1 As measured by GDP at constant prices of 1985.

2 Refers to the 1977-90 period for the ECCA country group.

3 Of the banking system; it is expressed in percentages of broad money at the beginning of the period.

4 Sub-period I: Refers to 1976-85 for CAMA and non-CAMA country groups.
Refers to 1976-82 for ECCA and non-ECCA country groups.
Sub-period II: Refers to 1986-90 for CAMA and non-CAMA country groups.
Refers to 1983-90 for ECCA and non-ECCA country groups.

Table 2: Key Indicators of financial deepening of countries inside versus outside a currency area, 1976-90

	Arithmetical Average				Coefficient of Variation			
	CAMA	Non-CAMA	ECCA	Non-ECCA	CAMA	Non-CAMA	ECCA	Non-ECCA
	% : period average							
I. 1976-90								
Broad money to GDP ratio [1]	19.3	20.0	62.0	35.3	8.0	9.5	7.1	12.7
Financial savings ratio [2]	1.8	3.4	7.9	4.8	94.4	32.4	26.6	19.3
Narrow to broad money ratio	67.8	52.8	22.9	36.2	9.1	8.1	5.2	5.4
Broad money multiplier	3.1	2.5	4.4	3.5	9.6	4.0	14.8	5.1
Real broad money growth [3]	4.9	2.3	5.7	3.6	235.8	234.8	84.2	143.5
Foreign exchange reserve backing of reserve money [4]	30.8	94.6	70.1	92.1	39.1	21.4	9.4	40.7

Source: IMF, International Financial Statistics Yearbook, 1992; and authors' calculations.

1 Calculated as the average of broad money at the beginning and at the end of the period, divided by nominal GDP.

2 Defined as the annual change in broad money divided by nominal GDP.

3 Nominal broad money stock deflated by the CPI (1985 = 100).

4 Defined as gross official reserves divided by reserve money stock. For non-ECCA Caribbean countries, group average data exclude Trinidad and Tobago.

Table 2: *(continued)*

	Arithmetical Average				Coefficient of Variation			
	CAMA	Non-CAMA	ECCA	Non-ECCA	CAMA	Non-CAMA	ECCA	Non-ECCA
	% : period average							
II. Sub-period I								
Broad money to GDP ratio [1]	18.4	19.8	58.4	30.9	5.4	4.1	5.3	6.4
Financial savings ratio [2]	2.7	3.5	8.0	4.7	39.6	35.6	29.3	18.0
Narrow to broad money ratio	70.2	54.9	34.1	37.6	8.9	7.0	5.0	5.2
Broad money multiplier	3.1	2.5	4.7	3.6	11.2	5.8	9.7	4.0
Real broad money growth [3]	6.9	1.4	3.3	3.0	178.0	424.8	166.1	114.0
Foreign exchange reserve backing of reserve money [4]	44.5	91.2	74.0	127.6	33.8	22.5	6.4	16.6
III. Sub-period II								
Broad money to GDP ratio [1]	21.0	20.3	65.2	39.2	3.7	2.0	3.9	4.0
Financial savings ratio [2]	0.0	3.4	0.2	4.9	—	23.4	23.2	20.3
Narrow to broad money ratio	63.1	48.7	31.7	34.9	2.9	2.5	2.8	1.7
Broad money multiplier	3.1	2.5	4.2	3.5	4.5	5.9	16.9	5.1
Real broad money growth [3]	1.0	4.2	7.7	3.4	894.3	98.9	40.1	169.6
Foreign exchange reserve backing of reserve money [4]	27.5	101.4	66.0	60.9	24.8	16.7	9.2	20.1

Source: IMF, International Financial Statistics Yearbook, 1992; and authors' calculations.
[1] Calculated as the average of broad money at the beginning and at the end of the period, divided by nominal GDP.
[2] Defined as the annual change in broad money divided by nominal GDP.
[3] Nominal broad money stock deflated by the CPI (1985 = 100).
[4] Defined as gross official reserves divided by reserve money stock. For non-ECCA Caribbean countries, group average data exclude Trinidad and Tobago.

Table 3: Interest rate and exchange rate indicators of countries inside versus outside a unified currency area, 1976-90

	Country Groups			
	CAMA	Non-CAMA [1]	ECCA	Non-ECCA
	% : period average			
Arithmetical average				
Lending rate: nominal	11.9	17.8	11.0	14.3
real [2]	4.3	−1.0	5.3	2.5
Deposit rate: nominal	6.9	10.5	6.1	9.9
real [2]	−0.7	−8.4	1.3	−0.2
Differential interest rate [3]	0.2	10.4	−3.7	0.4
Average coefficient of variation				
Lending rate: nominal	8.3	12.9	7.0	11.2
real [2]	110.0	−730.0	113.6	218.0
Deposit rate: nominal	7.4	20.0	11.6	7.6
real [2]	−676.8	−86.9	191.1	−2,294.0
Differential interest rate [3]	650.0	28.8	−83.3	1,988.0

Source: IMF, International Financial Statistics Yearbook, 1992; and authors' calculations.
[1] Excluding Ghana, the average real lending and deposit rates are 5.0 and −2.2 percent per annum, respectively. The corresponding coefficients of variation (in percentage) are 58% and 109% per annum, respectively.
[2] Nominal rate minus inflation (as measured by the CPI).
[3] For CAMA, the differential rate is the average deposit rate in the currency area minus the rate on deposits of comparable maturity length (3 months) in France. For the other groups, the differential is relative to the LIBOR rate on 3 months' deposits in US dollars, using period average rates.

Photo MAPEZ

The strength of a currency is that it corresponds to actual production. This Zairean note (5 m.) issued recently is worth about 30 Belgian francs or one US dollar (January 1993), whereas one zaire was worth two US dollars twenty years ago. Zairean consumers were strongly opposed to the new note, which they regarded as worthless

vatively. Because some earnings of the boards get reinvested, in practice the foreign exchange cover for domestic currency could rise above 100%.

The currency board arrangement prevents excessive monetary expansion by tying domestic currency issue to foreign reserves accumulation. The reserve holdings of a board are normally profitably invested abroad. The external convertibility of the domestic currency is also guaranteed, while the expenses of a fully-fledged central bank are avoided.

The classic currency board has been criticised for precluding certain monetary policy operations desired in light of local domestic conditions; for not fostering the development of local banking systems or other financial institutions; and for not encouraging domestic capital investment. But the currency board operation could be modified to include the freedom to hold domestic assets as backing for currency issue, while maintaining a rigid relationship between domestic currency issue and foreign asset cover. In fact, a modified board would take on some of the functions of a central bank.

With a central bank and an independent currency a country's authorities can operate an independent monetary policy. In doing so, the risk of mismanagement is always present. This explains why countries with independent central banks sometimes opt for explicit constraints on monetary policy, by, for example, commitments to: maintain a fixed peg to a strong currency; rigidly fix the ratio for the foreign asset backing of domestic currency; and specify strict quantitative targets for inflation (low) and interest rates (positive real rates). Indeed, the mandate of the central bank could be limited by legislation to focus strictly on monetary policy objectives and operations, with a view to achieving low inflation and safeguarding the international value of the domestic currency.

Some relevant experience

Exchange and monetary arrangements influence macroeconomic performance in general and monetary stability in particular. In Africa, the experience of the Central African Monetary Area (CAMA) countries when compared with that of selected countries operating under independent currency and exchange arrangements is illuminating. [1] So also is a comparison of the experience of the Eastern Caribbean Currency Area (ECCA) countries with selected countries in the Caribbean region under independent currency and exchange arrangements. [2] However, it should be apparent from these comparisons that many factors other than currency arrangements determine economic performance. Because of limited space, the empirical discussion is confined to the main macroeconomic indicators.

The CAMA and ECCA countries display three distinctive features compared to other countries; a single currency (the CFA franc and EC dollar, respectively); a fixed peg to a major currency (the French franc and the US dollar); and a common central bank. [3] Unlike the EC dollar, the CFA franc enjoys external convertibility based on the guarantee provided by the French Treasury to the CFA franc. The CAMA countries, in turn, are required to hold 65% of their foreign reserve assets in French francs in an operation account at the French Treasury.

[1] CAMA countries include Cameroon, the Central African Republic (CAR), Chad, the Congo and Gabon. Equatorial Guinea, which joined the CAMA in 1985, is excluded from this analysis. The African countries used for comparison are The Gambia, Ghana, Kenya, Malawi and Rwanda.

[2] Barbados, Belize, Dominican Republic, Jamaica and Trinidad and Tobago.

[3] The powers of the central bank of the ECCA were extended in 1982. For instance, the bank was allowed to impose reserve requirements, which it did in 1984.

Some relevant experience of the above groups of developing countries is examined for the period 1970-90. For the African countries, this is divided into two sub-periods spanning 1976-85 and 1986-90. The rationale for this is the 1985 oil price drop (the three largest CAMA countries — Cameroon, Congo and Gabon are oil producers and exporters). For the Caribbean countries, the sub-periods chosen are 1976-82 and 1983-90, since it was in 1982 that the powers of the ECCA's common central bank were extended.

Macroeconomic performance. During 1976-90, members of the above unified currency areas had — on average — lower inflation than countries outside such unions. In Africa, both groups of countries had similar real GDP growth but the CAMA countries recorded lower average rates of inflation and smaller foreign reserve losses. The CAMA countries had a lower annual average rate of broad money and domestic credit expansion compared to non-union countries. In the non-CAMA group, strong expansion of bank credit to governments to finance budgetary deficits contributed significantly to total domestic credit expansion. Inspecting the coefficient of variation (the ratio of the standard deviation to the mean over the study period, expressed in percentage terms) shows larger fluctuations, for CAMA countries, in real economic growth and net foreign reserve losses, and smaller fluctuations in inflation.

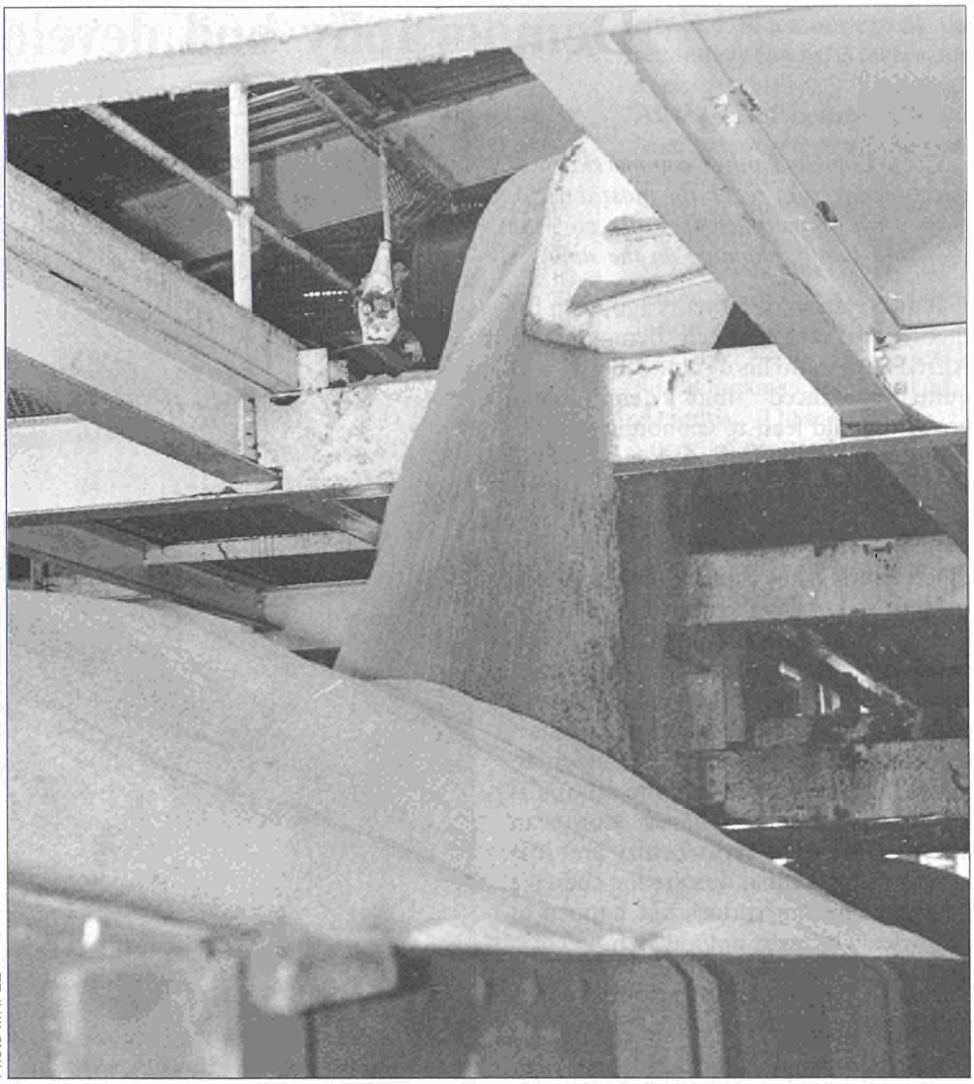


Photo MAPEZ

Sugar production in Swaziland. This landlocked country, surrounded almost entirely by South Africa, can only carry out external financial transactions using the South African rand, despite the long-standing political divisions between the two countries

But these long-term developments mask shifts in comparative real growth performance of the CAMA and non-union countries between 1976-85 and 1986-90. During the more recent period, economic activity went into recession in CAMA but improved in non-union countries while foreign reserves losses of the banking system accelerated in CAMA countries but slowed in non-union countries. The drop in world oil prices and a weakening of the banking structure are among the factors that contributed to the recession in CAMA.

In the Caribbean region, the ECCA countries displayed greater monetary stability. A tight monetary policy stance — particularly during 1983-90 — and strict monetary rules by the common central bank (e.g., the high foreign exchange cover) fostered monetary stability in the ECCA region.

Financial deepening. In the CAMA countries financial deepening lagged behind non-union countries; indeed, while the two groups showed about the same degree of monetisation (measured by the broad money to nominal GDP ratio), the average propensity to save in monetary assets was lower in CAMA countries than in non-union countries. The weakened financial soundness of banks in the CAMA in recent years contributed to this. Selective credit policies, rising overdue loans to public enterprises and an inadequate prudential policy all led to banks accumulating bad loans. [4]

This hampered the banks' effectiveness as financial intermediaries and fostered outflows of domestic savings during most of the 1980s. The shift of BEAC's interest rate policy stance during the second half of the 1980s — to keep domestic interest rates aligned with French money market rates — mitigated savings outflows in recent years.

In the Caribbean region, ECCA countries displayed higher financial development and stronger financial deepening than non-union countries. This conclusion is supported by key indicators such as the monetisation ratio, financial savings ratio and real broad money growth. A more appropriate interest rate policy in the ECCA as well as adherence to monetary rules by the common central bank contributed to this outcome.○

O.J. & J.-C.N.

[4] Prudential policy has been drastically improved since 1990 and banking sector restructuring is being addressed.

Demography and development

by Andrée VANDERHAEGHE *

Coca-Cola and other commercial products managed to reach the most difficult classes of society, after all, so why shouldn't family planning do the same? [1]

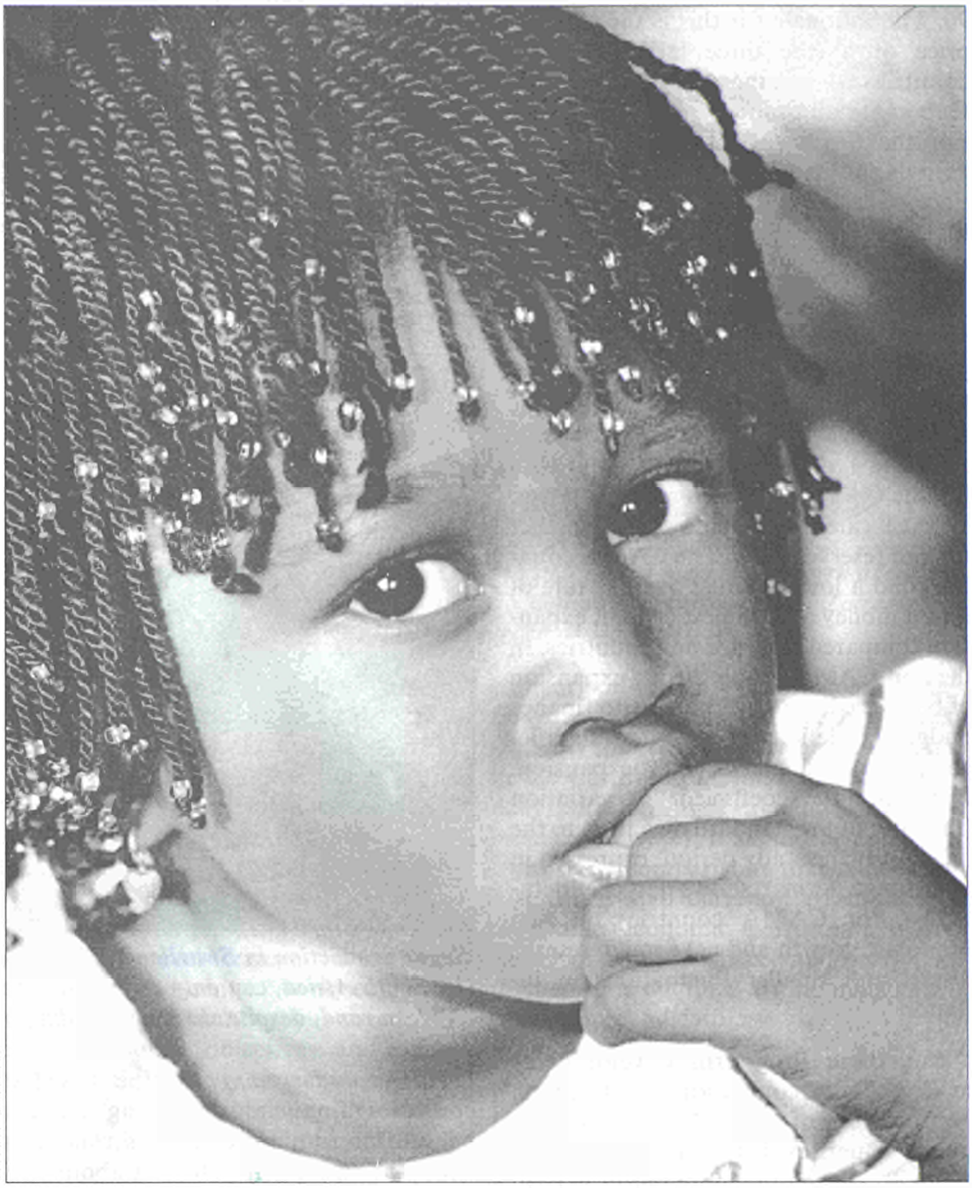
It all began some 30 years ago, with the theories of the French demographer Alfred Sauvy and his disciples. Sauvy was quite convinced that demographic growth would lead to economic growth. But the facts have proved him wrong. Countries which undergo economic growth always break with their rate of population growth in the long term. In other words, they achieve demographic transition. One of the reasons for this is that countries with economic growth can ensure that their school attendance rate goes up. Now school attendance spells expenses for the parents and so there is a tendency to have smaller families to enable all the children to go to school. It happened among the lesser European bourgeoisie in the 19th century and it is happening in China, despite the coercive system there, but it does not happen in countries which do not get rich.

So we believe that population growth is a consequence and not a cause of poverty.

As Jean-Paul Fitoussi says, 'overpopulation is a relative concept. It signifies that, at a given stage in international development, there is a surplus of manpower — either generalised or confined to certain parts of the world — in the sense that the productive margin of work in these regions is nil or so low that it is no incentive to work. The phenomenon can of course be attributed to exaggerated population growth, but is also, more than anything else, a consequence of the endemic inadequacy of the stock of capital worldwide'. [2]

So it is reasonable to wonder whether the drive to stop runaway population growth really is the panacea for sub-Saharan Africa, which is where the population is expanding fastest, as we shall see. H. Le Bras is right when he says that 'Africa is penalised not by its enormous fertility, but by being in the wrong part of the world. Businesses in Malaysia sub-contract for Japan, but businesses in Togo sub-contract for no-one. They are on the fringes of the economy.' [3]

This is not the place to enter into the great debate on the nature of development and the means of achieving it. We are not concerned here with the mistakes that have been made in that area and we propose to keep to the thorny question of the population explosion. Although population growth is not the main or only thing to blame for under-development, it cannot be denied that it generates and exacerbates the constraints. With sub-Saharan Africa in the throes of galloping population growth (Asia and Latin America have already started to put the brakes on), and not nearly enough development going on, that growth must be held back, by choice and not by force, even if it is merely for want of anything better and not as a cure-all.



Overpopulation is a relative concept

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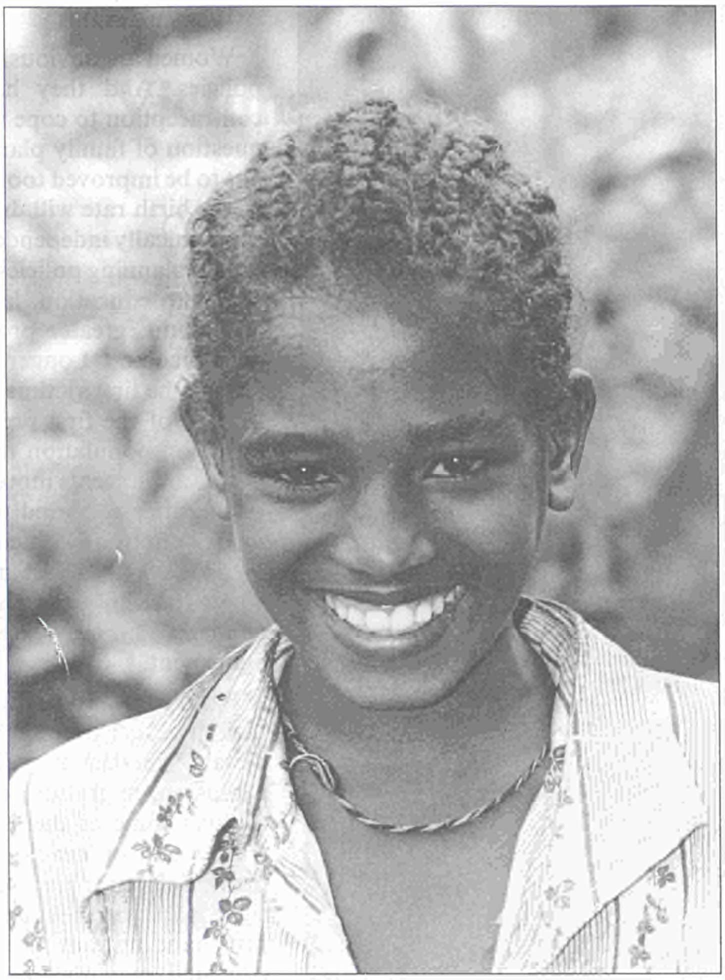
[1] Extract from T. Scarlett Epstein – 'Babies manufactured at macro-economic level?' – Populi magazine, June 1992.

[2] 'Chomage et contrat social' – OFCE letter No 102, June 1992.

[3] Interview in the 'Courier de la planète', No 13, January-February 1993.

Galloping growth

The growth of a population is the balance of its births and its deaths and Africa's ancient traditional balance of high birth rate-high death rate has been upset. Death rates have fallen considerably, while the birth rate has remained very high. In virtually every country in Africa, the average woman has more than six children (the figures for Asia and Latin America are between three and seven, depending on the country), which makes population growth very high, about 3.2% p.a., and it will go on rising for another 15 years if nothing is done about it. This rate of increase has been triggered by the declining death rate, but there are other causes too, including the fact that traditional methods of contraception, such as breast-feeding and abstinence, have been abandoned and there are no efficient, widespread methods of contraception. However, the general trend is uneven. There are profound differences between countries and between the various regions and social groups in individual countries.



Young Ethiopian girl
Youthful populations are a characteristic of developing countries

One of the major results of the population boom is the extreme youth of the populations of sub-Saharan Africa, where almost 50% of the people are under 15, putting an obvious strain on education systems and employment. At the same time, the percentage of elderly people is rising rapidly. Nigeria, for example, will have as many over-60s as Germany by the year 2025, according to the UN Fund for Population Activities.

Migration

One of the demographic safety valves (as in Ireland) has been migration — South-South, between continents or within a particular country, especially to the capital. South-South migration increased after independence. People left the Sahel, for example, to go to the coast, particularly Côte d'Ivoire; they left Mozambique, Malawi, Botswana and Lesotho for South Africa, and they moved into Gabon and Cameroon from the surrounding countries.

International migration was accompanied by considerable intercontinental migration, from Cape Verde to the USA, from Mali, Mauritania and Senegal to France, from English-speaking East Africa to the USA and so on. [4]

But countries are not communicating vessels and neither production nor population evens out spontaneously. Only 4% of the world population migrate — which should calm the fears aroused by the threat of an invasion from the developing world brandished by the far right.

Urbanisation

Migration within a given country, however, from rural areas to the capital city and, to a lesser extent, the secondary towns, is increasing spectacularly, although Africa is of course still the least urbanised of all the continents, with 30% of the sub-Saharan population living in the towns in 1990, as against 35% in Asia and 70% in Latin America. But its urban population is growing faster than any other, — by 5.6% in 1985-90, as against 2.9% in Latin America. These average figures of course mask considerable geographical differences. Rwanda (7.7% urbanised) and Burundi (5.5%) are at one extreme and the CAR, the most heavily urbanised part of sub-Saharan Africa (55%), is at the other. [5]

The drift to the towns tends to be to the capitals, particularly when the administrative capital is also the country's economic centre. Urban unemployment, particularly among the young people who account for the bulk of rural depopulation, is soaring. ILO forecasts suggest that the productive job supply will increase by only 2.4% p.a. over the 1990s, although the labour force is expected to expand by 3.3%. The number of urban unemployed could increase threefold, bringing the urban unemployment rate up to 31%.

Urbanisation may be regretted and strategies devised to keep the people on the land, but it is all tilting at windmills. As the ILTA study showed, [6] urbanisation is inescapable. Demographically, it has a twofold effect. Poverty drives more and more youngsters to the towns, but for some classes of society towns are a setting conducive to a slowing-down of population growth. It is among the best-off, best educated urban classes that the biggest drops in the birth rate are occurring. And women tend to get a better deal in the towns too.

[4] Data from Population et Sociétés en Afrique au Sud du Sahara, directed by Dominique Tabutin, 1989.

[5] Figures from the report of the 'Jeunes, villes, emploi' conference in Paris in November 1992.
[6] ILTA, Image à long terme de l'Afrique, 1984.

A cotton plantation in Barbados
Surplus manpower where there was a shortage

Women's status

Women are obviously the prime target of demographic policies. And they have an unsatisfied demand for contraception to cope with too. However, it is not just a question of family planning campaigns: women's status has to be improved too. As J.L. Jacobson [7] so rightly puts it, the birth rate will drop, voluntarily, when women are economically independent and no longer just the target of family planning policies. Independence of course includes access to education, land ownership, technical training and credit, greater productivity and control over their own incomes. Longer education for women, who are always the first victims to drop out of school, will put up the age of the first pregnancy, and that will help put a brake on population trends. Longer education for men makes adolescents more aware of the problem and makes them better prepared to accept smaller families. But in many countries, women are refused contraception if they do not have their husband's permission. Even in countries where this is not the case, family traditions are such that women will in any case not act without their husband's agreement. [8]

Family planning cannot be contemplated without tackling other things which both make it a necessity and dictate whether it will be a success: the population explosion, migration, urbanisation and women's status are just some of them. Here, and in the much broader framework of development, or indeed underdevelopment, demographic policies have to be provided in the right place and in the right way, which means more than just handing out contraceptives. [9] Women must be educated, men must be made aware, the age of marriage must go up and it must be generally realised that structural adjustment policies are putting an increasing burden on the Third World, not least on their health services. All these things have to be taken into account if we are to achieve a demographic transition sustained by an economic transition.

This shows that all family planning schemes must be targeted and that socio-cultural and economic realities (the importance of child labour in rural areas, for example, and the fact that children represent an insurance for old age) have to be taken into account. It is by using family planning as one of a number of means that we will achieve the aims of development. Not by selling pills as if they were bottles of Coke. ○ A.V.

Urbanisation rates, 1950-2000 (%)

	1950	1960	1975	1990	2000
Sub-Saharan Africa	11.50	14.80	21.50	30.90	37.90
Western Africa	10.20	14.50	22.70	32.50	39.80
Eastern Africa	5.20	7.30	12.30	21.80	29.00
Central Africa	14.20	17.90	27.90	37.80	45.60
Southern Africa	38.00	41.70	45.90	54.90	61.30
North Africa	24.50	30.00	38.00	44.60	51.20
Latin America	41.50	49.30	61.20	71.50	76.40
North America	63.90	69.90	73.80	75.20	77.30
Asia	16.40	21.50	24.10	34.40	42.70
Europe (not including USSR)	56.50	61.10	68.90	73.40	76.70
World	29.20	34.20	37.80	45.20	51.10
Developed regions	53.80	60.50	68.50	72.60	74.90
Developing regions	17.00	22.10	26.40	37.10	45.10

Source: UNO, World Urbanisation Prospects 1990, New York 1990.

[7] J.L. Jacobson, Gender Bias: Roadblock to sustainable development, 1992.

[8] This does not only happen in Africa. At a seminar about 15 years ago, a workman got up and told me: 'If my wife takes the pill, she'll be unfaithful to me.'

[9] This narrow view of things is often justified by what might be called doublethink. African leaders go to big international meeting and applaud population control measures, but fail to apply them when they go home, largely because population problems have been reduced just to family planning.

Victims of ideology

Public transport in Zaire. This country cannot even guarantee its people safe drinking water, according to a senior official speaking recently. The truth is sometimes best to tell, especially in the economic sphere

It is simple. The developing countries, especially those in Africa, have failed to deliver on the pledges of economic and social development and freedom that were the mainstays of their political platforms and it cannot just be blamed on a lack of natural resources or technology either. So we should also look at the other factors of underdevelopment in the countries which had the resources for general progress, but are now in general economic decline (despite occasional oases of modernity, starkly contrasting with the realities of everyday life) and have failed completely with freedom. If this is a long way from the progress heralded by technology and promising raw materials, it is because there has been no link between theory and practice. And as, whenever the facts conflict with the theory, the problem is to be sought in the theory, it would be as well to wonder about the ideological causes of the inglorious economic and social developments typical of post-colonial Africa.

Marx and Lenin and snow ploughs in Conakry

In 1958, so they say, when the Guinean leader Sékou Touré slammed the door on the Union Française and opted for independence for his country, he turned to the USSR, ostensibly the defender of the oppressed and the colonised, for aid and support in the newly created situation — and the Soviet Government responded at once by despatching a consignment of snow ploughs to Conakry. This is a clear illustration of the misunderstanding so typical of relations between Africa and Eastern Europe until 1990. Economically, first of all, Marxism stood for progress and fair shares of the fruits of the work which capitalism was unable to offer because of the 'inequalities in inheritance and income which it is bound to involve', said Le Monde's economic correspondent Paul Fabra. Here of course, as in politics, Marxism at one stage dominated the way of analysing relations between societies and helped imbue the collective mind with the hope of political change and the expectation of justice — which was apparently not the concern of a liberal, laissez-faire system. People's republics of every kind (democratic, revolutionary, socialist, cooperative and more) were established in Africa and in many of the Caribbean islands.

Political changes were to lead to economic reform in the process. Countries were intellectually fascinated by the Marxist-Leninist view of human society and the fact that colonialism went with capitalism and progressivism with Marxism and believed that they had found a sure way to material prosperity and freedom. Not all these aspirations were to be realised immediately or, indeed, several years later. Once installed at the head of the State, the leaders of the newly independent nations were more likely to do the opposite and Marxists or 'moderate' anti-revolutionaries considerably extended their powers and stepped up their intervention, to the detriment of economic development and freedom. And the peoples of Africa now look like the victims of ideology. A look at the way the whole continent has developed reveals a huge discrepancy between the ideological (revolutionary or so-called moderate) promises and the actual economic potential and what international cooperation has achieved. Here are one or two examples.

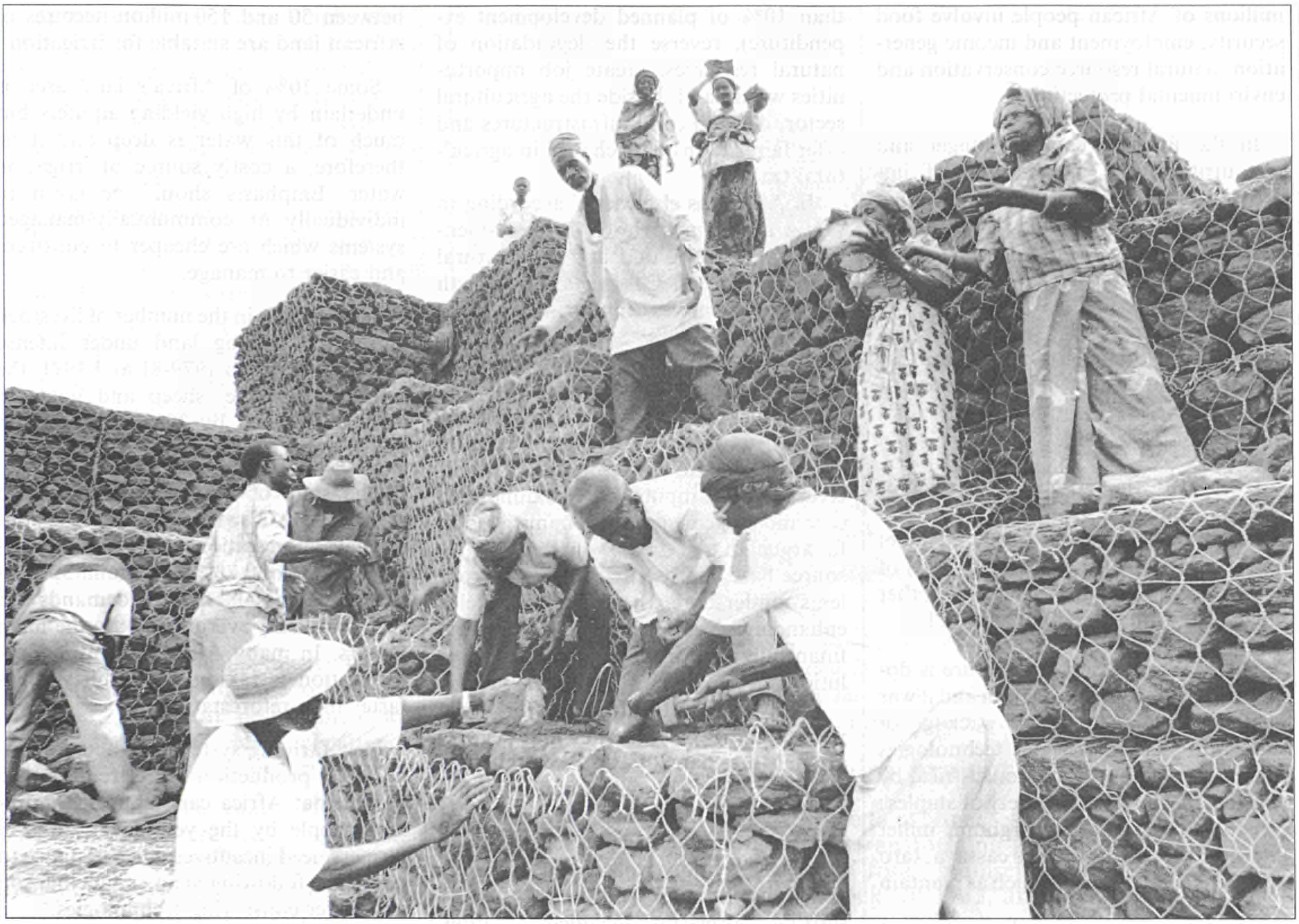
Guinea, Uganda, Angola, Ethiopia, Mozambique, Congo, Liberia, Guyana and more used to be described in superlatives because of their immense economic wealth and human resources, but they attract attention now, not for what they can do, but for what they cannot do. The spectre of famine looms ever-larger and freedom is slow to replace the old order. All these countries, other than Liberia, believed in the fine principles of revolution for progress and freedom. But

For years, Lenin's statue has stood in the centre of Addis Ababa — and in many other African cities. But, in the final analysis, a policy has to be judged by its results

they were not the only ones to imagine that other economic models held a bright future. Côte d'Ivoire, Zaire, Cameroon, Senegal, Nigeria and many more went the other way. But neither revolutionaries nor moderates envy each other now. In 1988, Le Monde said of Nigeria: 'Once upon a time there was a rich country...', i.e. at the time of the oil boom in the 1970s and 1980s, when black gold brought in more than $24 billion a year. It is a time gone forever, the paper said, and not even a start was ever made on development. 'Between 1973 and 1983, Nigeria was in a state of ecstasy, with imports and exports out of all proportion to the size of the country — something which put private interests above the national interest in no uncertain terms.' The manna, oil, was of benefit to only a few thousand people, who 'were able to place almost $20 billion into the big international money markets', the paper claimed. One of the main consequences of all this is that Nigeria, once the world's leading producer of groundnuts and oil and the second biggest producer of cocoa, with a farm sector still bringing in more than 55% of GNP and 65% of the country's export earnings in the 1970s, stopped being self-sufficient and saw the cost of its grain imports go up to more than 20 times what it was before. The effect on the national currency (the naira), investments and industry was severe. One devaluation followed another, capital dried up, industrial production plummeted (with most firms working at 30% of capacity) and the external debt beat all records. Indeed the official creditors in the Club of Paris have recently warned the Government in Abuja (the new capital) that all its funds will be cut off unless $3 or 4 billion are paid off the arrears on the official debt — which was $27.6 billion at the end of 1992, $16.5 billion of it owing to the Club of Paris, according to the Financial Times. In social and administrative matters, red tape and problems of security have got out of hand, something which is of course not confined to Nigeria. The picture is more or less the same all over Africa.

A look at the developing countries suggests that the various ideologies have been of no help in achieving their aims. There are many reasons for this and first and foremost the myth of development itself, as it emerges from development theories and ideologies. The African States in particular believed that one of the two opposing theories had to be right and quite overlooked the fact that both could well be wrong for their particular circumstances. And imitation was difficult when the internal logic was not assimilated and the vital political conditions were not created.

Now that the donor countries have at last admitted that sauce for the goose is sauce for the gander, i.e., in this case, that democracy is a condition of development, we must hope that democracy is better implemented.○ L.P.


FAO — F. Paladini

Building check dams with locally produced building blocks at the Keita Integrated Development Project in Niger

'In the fight to combat hunger and malnutrition, the introduction of improved technology could offer a promising solution for Africa's problems'

The African crisis and the impact of science and technology

by Erwin NORTHOFF *

Despite its human and natural potential, Africa has not, in recent decades, succeeded in feeding its people adequately. The number of chronically undernourished people is estimated to have increased dramatically, from 101 million in 1969-71 to 168 million in 1988-90, a figure which represents one third of the total African population. There are continuing food supply difficulties in various parts of the continent.

Africa's agricultural sector, in many countries the largest single contributor to gross domestic product and the main provider of export earnings, has faced major difficulties. *Per capita* food production declined by 2% a year in the early 1980s. Although food and agricultural production in the later part of the decade succeeded in matching population growth, these gains have been wiped out by droughts and civil conflicts.

Africa has become more and more dependent on food imports. The volume of such imports *per capita* in sub-Saharan Africa rose by half between 1970 and 1990. Only a few countries succeeded in diversifying their export production. An unstable economic environment and lack of sufficient infrastructure are impediments to more investment. In consequence, Africa's debt burden has increased as the continent has become increasingly dependent on external support.

The main goals of a long-term strategy to improve the living conditions of

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millions of African people involve food security, employment and income generation, natural resource conservation and environmental protection.

In the fight to combat hunger and malnutrition, the introduction of improved technologies — the so-called 'green revolution' — could offer a promising solution for Africa's problems. However, what has been successful in Asia cannot automatically be applied in Africa. Compared to Asia, Africa has poorer soils, limited opportunities for irrigation and weaker infrastructures for agricultural credit, input supply and markets.

It is also the case that no major breakthrough has yet been achieved in the genetic improvement of rainfed millet and sorghum, which account for 80% of cultivated land in the Sahel and other areas of low and unreliable rainfall.

Furthermore, Asian agriculture is dominated by wet-rice cultivation and it was possible to adapt a single package of successful yield-raising rice technologies for use throughout the region. Africa, by contrast, depends on a variety of staples: cereals such as maize, sorghum, millet and rice; root crops such as cassava, taro and yams; and tree crops such as plantain and bananas.

In the past, African farmers developed agricultural systems that generally functioned well under conditions of low population density, relying mostly on long, fallow periods for soil recovery after short periods of land use. As the population increased, these systems came under severe pressure that finally led to the deterioration of the environment and of natural resources.

Despite all these constraints, the prospects for improved agricultural productivity in Africa are good. Technological achievements and changes can reverse the tendency towards declining yields, soil degradation, food shortages and malnutrition.

To tackle this formidable task, a multifaceted approach is required. It is necessary to increase output of food crops to meet the needs of a rapidly growing population, stimulate growth on a sustainable basis, provide economic incentives to farmers (in many African countries, agriculture has accounted for less than 10% of planned development expenditure), reverse the degradation of natural resources, create job opportunities within and outside the agricultural sector, develop rural infrastructures and offer fairer terms of exchange in agricultural trade.

'In Africa, as elsewhere,' according to *Edouard Saouma*, who is Director-General of the UN Food and Agricultural Organisation (FAO), 'sustained growth involves incentives, inputs, institutions and infrastructures. Such growth must avoid irreversible damage to the resource base and protect the environment. Sustainable farming practices should be intensified while rigorous reforestation programmes are implemented. The increased use of inputs must be done with care and judgement.' Mr Saouma goes on to argue that 'Africa's endangered resource base and its environmental problems underscore the need for yield-enhancing, environmentally sound, financially affordable technical solutions.'

Most parts of Africa suffer from various forms of environmental degradation. More than 20% of the continent is already covered by desert and a further 60% faces a high risk of accelerated erosion. Much of African soil has poor nutrient retention capacity and hence is heavily leached. The traditional system of shifting cultivation included a fallow period during which the soil was allowed to regain its fertility. Due to population pressures, this fallow period has been reduced and in some cases eliminated altogether.

Fertiliser consumption in the region is still very low. Total consumption for Africa (North Africa included) amounted to some 11 kg per hectare of arable land in 1990 as compared to 261 kg in China and 69 kg in India. Major constraints on the use of fertilisers in sub-Saharan Africa include high costs, problems of supply and distribution, and insufficient agricultural extension. Although a number of African countries have the raw materials for producing fertilisers, only a few have fertiliser plants and most of these operate at only 20-30% capacity.

Africa also has less surface water and a higher rate of evaporation than Asia or Latin America. Most rivers would need substantial regulation if they were to supply irrigation water regularly through the dry season. South of the Sahara, only five million hectares are currently under irrigation although it is estimated that between 30 and 150 million hectares of African land are suitable for irrigation.

Some 10% of Africa's land area is underlain by high yielding aquifers but much of this water is deep and it is, therefore, a costly source of irrigation water. Emphasis should be given to individually or communually-managed systems which are cheaper to construct and easier to manage.

The increase in the number of livestock is putting grazing land under intense pressure. Between 1979-81 and 1991, the number of cattle, sheep and goats in Africa increased by 20%. Degradation from overgrazing is accelerating.

The state of Africa's forests is also critical. FAO's forestry surveys put annual deforestation at 4.1 million hectares, a rate of 0.7% per annum. Spreading croplands, increasing demands for fuel wood and overgrazing are the main factors. In many African countries, deforestation is taking place thirty times faster than reforestation.

New farming systems to increase sustainable production [1] are required to ensure that Africa can support 872 million people by the year 2000. African farmers need incentives and assistance to adopt the following yield enhancing, soil and water conserving technologies.

Managing the crop: Crop rotation is one of the ways in which the land and soil can be kept healthy. Uninterrupted monocultures are a sure way of inviting pests and diseases.

Terracing: This is a labour-intensive technique used in preventing soil erosion and increasing water retention. It has been successfully used in Kenya and elsewhere.

Minimum tillage method: This consists of planting directly into stubble mulch without ploughing or hoeing. However, it is a technique which generally requires substantial applications of pesticides and herbicides.

[1] FAO defines sustainable agriculture as 'the management and conservation of the natural resource base and the orientation of technological and institutional change in such a manner as to ensure the attainment and continued satisfaction of human needs for present and future generations. Such sustainable development (in the agriculture, forestry and fisheries sectors) conserves land, water, plant and animal genetic resources, is environmentally non-degrading, technically appropriate, economically viable and socially acceptable.'

Agroforestry (for areas at high risk of erosion): Selected species of trees are combined with crops or animals to enhance organic matter production, maintain soil fertility, reduce erosion, conserve water and create fuelwood lots and a favourable micro-climate.

Alley cropping: This is another successful soil conservation technique in which field crops are placed in alleys between rows of leguminous trees.

Use of fertilisers: Most African countries will have to rely on imported fertilisers for some years to come. However, to reduce import costs, local processing can be promoted. Investment in efficient fertiliser industries based on availability of raw materials (rock phosphates and biofertilisers) should be encouraged. Integrated plant nutrient management systems should be applied to balance the offtake and input of nutrients over a cropping cycle.

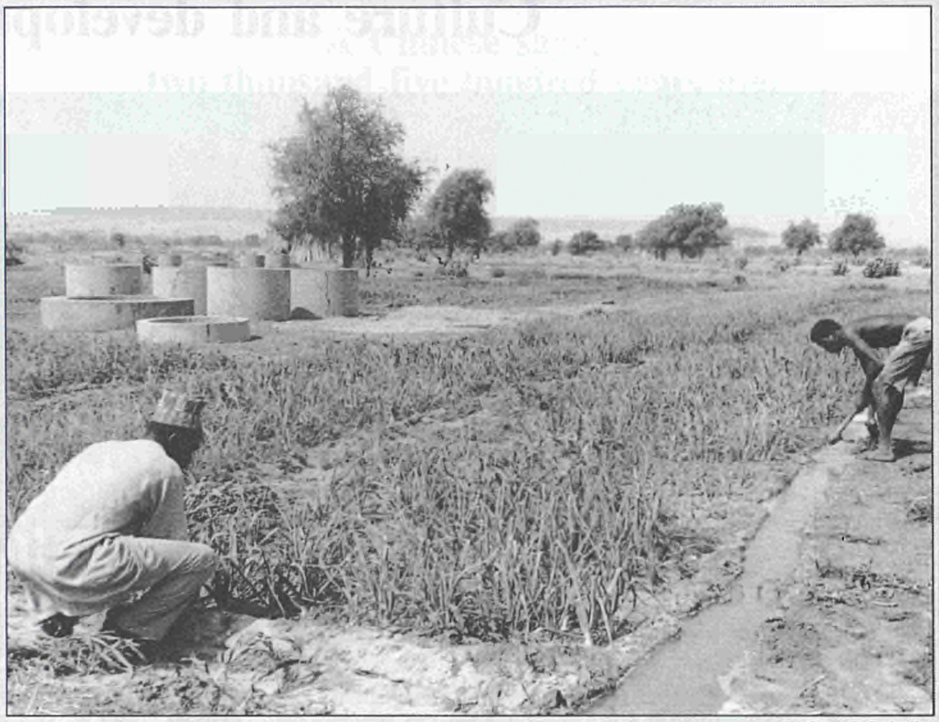
Integrated pest management: This involves combining the use of resistant varieties, biological pest control and lower rates of pesticide application to reduce environmental contamination.

There has been a tendency to look for 'modern' agricultural technology outside Africa, but past experience shows that not all imported technology is suitable.

African countries must develop and disseminate simple, low-cost, farming equipment by improving indigenous techniques, such as the bullock plough. The more widespread use of carts and other forms of wheeled carriage will also help transport in rural areas. Other forms of technology such as improved seeds and animal breeds, farm chemicals and 'information technology', are also important.

The development of disease-resistant cassava varieties, which offer modest yield increases over existing varieties, could be of great importance. Cassava is the staple crop for more than 200 million people in more than 35 African countries and is particularly important when other crops fail.

Agricultural research and extension, which in the past has been oriented mainly towards export crops and monocropping, must, as a matter of urgency, be directed more towards techniques and innovations designed to bring about a sustainable increase in local food supplies. ○ E.N.



FAO — F. Paladini

The Keita Integrated Development Project in Niger 'is a good example of how the FAO's objectives for sustainable development can be put into practice'

The Keita project

In just five years, the people of Keita in Niger (estimated at 156 000 living in 205 villages) have succeeded in transforming their area from a barren landscape unable to meet basic food requirements to a flourishing environment for crops and livestock. In 1983, an agreement was signed between FAO and the Governments of Niger and Italy with a view to reversing the trends of degradation and desertification. The project is a good example of how the FAO's objectives for sustainable development can be put into practice.

The project has achieved impressive results: more than 2100 hectares of plateaux, which were previously considered marginal and irrecoverable, have been restored. The construction of anti-erosion bunds and the planting of trees have also helped to restore the glacis, which are gentle, uniform slopes.

The project has drilled 53 village wells in addition to some 500 smaller wells for crop irrigation. Check dams, with locally produced building blocks, will gradually slow erosion and supply additional groundwater. The project has also irrigated abandoned land to grow onions which fetch higher prices on both the local market and abroad.

More than 100 km of rural roads have been constructed and these are protected by embankments and drainage lines. Thousands of people have been trained in better farming and forestry techniques. Sorghum and millet are the district's major food crops, providing up to 90% of calories in the daily diet. By mixing crops, it should be possible to reduce the reliance on nitrogen-based fertilisers. Thirty-four mills, that are easy to run and need little maintenance, have been installed.

The project uses locally-made tools wherever possible and has trained blacksmiths to improve them. Project staff have also been trained to use computers. Finally, the project has placed special emphasis on the role of women, who have been encouraged to pursue income-earning activities (for example market gardens, fruit orchards, meat production and artisanal crafts).

Culture and development

A cultural display in Georgetown, Guyana — culture, one of the constants of human society

Militant epistemologists, operational economists and disillusioned anthropologists have long toyed with these two words — culture and development — in complementary and contradictory ways.

First of all, let us stop reducing culture to cultural concerns and take a look at what it really is.

The culture we are dealing with here may be defined as the way human groups respond to the problems of their social existence. By this, we mean that it is a pattern of all the beliefs, recognised values and techniques common to a given group.

So how does it relate to strategies of development?

Science, technology and economics are clearly not neutral. What we have, in fact, is a piece of social machinery which conveys a wealth of imaginative content. And that content is cultural. It embodies the way man relates to the world and it embodies a concept of time and space and of the relationship with nature and with man himself.

From the transfer of technology, for example, we learn that isolated techniques are easy to disseminate, but that a combination of techniques cannot be transplanted into worlds where quantitative changes are not represented in the mind, in what Castoriadis so rightly calls 'the world of the social imagination'.

Underdevelopment and the cultural anthropologist's approach

Neo-liberal thinkers and Marxists (school of dependence) alike have interpreted underdevelopment as lagging behind an allegedly universal western model. Very clearly, this implies that survival means becoming modernised, but that becoming modernised also means self-destruction.

The proponents of cultural anthropology see development as an internal phenomenon, first and foremost, a social, political and cultural change of which the economy is merely a sign. External aid can only encourage the change if it recognises its specific features.

The academic debate is far from being over. Some feel that development as a process of cultural assimilation has been such a success that there is nothing specifically cultural about it any more. Some think that it is exceptional for the internally generated cultural model to resist. And others think that under-development is the result of taking culture away. The western concept of development attracts criticism in all cases, for dependence is cultural before being economic or political.

Going beyond the criticism — often biased — levelled at this approach, the problem is not preserving the purity of a culture. There are worse things than losing cultural variety and getting uniformity in its place — losing self-respect, for example, and seeing the gradual erosion of a people's ability to give meaning to life. Let us not forget that meaning and power come from different sources!

The important thing is to get away from the choice between nostalgia or tradition and blind acceptance — learning about western modernity. This is the way to avoid fatalism and blind acceptance, the inertia which springs from an inferiority complex or total rejection leading to traditional fanaticism.

A Chinese sage, two thousand five hundred years ago

'When Dsi Gung was crossing the region north of the Han River, he saw an old man working on a vegetable patch. He had dug small irrigation channels and into them he poured water from a pot which he went down into the well himself to fill. He worked very, very hard, but he accomplished little.

'Dsi Gung said: 'There is a way of irrigating 100 channels in just one day. It takes only a little effort and gives fine results. Why don't you try it?' The old man stood up, looked at him and said: 'And what might it be?'

'Dsi Gung said: 'Take a wooden lever, heavy at one end and light at the other, and you can bring up plenty of water. It's called a chain well.'

'The old man looked angry and he said, with a laugh in his voice: 'My master says that he who uses machines does everything mechanically and he who does everything mechanically gets a machine for a heart. He who has a machine for a heart loses his innocence and he who loses his innocence becomes of uncertain mind and uncertainty of mind does not go with true sense. I know about these things — but I should be ashamed to use them.'

Cultural anthropology and economism

The cultural anthropologist's approach makes cultural values the key to development, while economism is concerned primarily with developing the forces of production.

But if culture is awareness and representation, it is also a material fact. Physical needs — food, health, housing and education — are cultural too.

Clearly, culture and the economy interact, as is apparent from the part which culture is seen to play in economic development and from the fact that cultural activities can be understood through economic analysis.

There are cultural economics and there is also an economic culture, conceived, above all, as a social science. Culture is more than an economic factor in isolation. It is decisive to economic activity and the social environment. Since the dawn of time, culture has been the wellspring of the economy, despite the fact that it still turns its back on the tools of the economist (Xavier Dupuis — Culture et développement, de la reconnaissance à l'évaluation — Paris — UNESCO/ICA — 1991).

Culture supports or paves the way for economics. But it can also change it, for culture, interpreted in a critical and dynamic manner, is also a productive force.

At all events, there are complex, dialectical relations between culture and development, which have had to be taken into account in various stages over a period of time.

From the cultural dimension of development to culture as a trade in goods [1]

There is an increasing belief in culture as a dimension of development and not development as a dimension of western culture alone.

Cultural factors are now taken into account in the development process and cultural change here is perceived as a sign of vitality. The meaning of culture is like a fermentation process and development is like a leap (Edgard Pisani). Culture is often 'traditional' and 'modern' at one and the same time, particularly since tradition is constantly being reinterpreted, except in certain cases of identity problems. Culture does not conflict with creativity, for it is constantly creating itself, even in societies whose culture is fragile because it is founded on the oral tradition and the absence of a long-standing State tradition. Culture as an assertion and expression of identities and differences generates momentum.

[1] Luce Kellermann, La dimension culturelle du développement — Selected, annotated bibliography, 1985-1990 — Paris — L'Harmattan — 1982.

Cultural dynamics are behind social, economic and political change and pose the question of the relations between cultural identity and modernity.

Some say that cultural identity is everywhere and so strong that it constantly subverts the modern forms of development. Others say that everyone has to see himself otherwise than in terms of other people's categories. He who stops faithful copying and looks at himself through his own eyes will be able to believe in the possibility of acceding to an internally generated form of modernity that is unlike the enforced modernisation with the ill-assorted features of external modernity. Two ideas and one fantasy have to go — dysfunction in relation to supposedly universal norms, the pathology of an ancestral culture allegedly modernity-resistant and exotic culture with frivolous concerns.

Beyond this, culture in this day and age is often considered as something to be traded.

Although the economy of culture was forged in the light of a model based on the negative postulate of improductivity, it is seen as a trading sector in its own right — cultural goods.

Let us take care that, in the name of recognising culture, we do not reduce it to the state of an economic sector which is an appendage of development, when it should in fact be the backdrop for every development operation. ○

Dominique DAVID

Communication and development

by Carlos A. ARNALDO *

Since Wilbur Schramm wrote his classic, Mass Media and National Development, in 1964, there would seem to be, worldwide, little evidence of economic growth for attributing a key role to communication in development. Only a handful of developing countries have reached a reasonable economic take-off level. While annual GNP figures have been generally increasing, social and economic benefits have not trickled down to the rural masses comprising the greater part of developing societies, and population rates have outpaced economic growth rates. It should also be noted that less than 2% of all development funds have been allocated to the development of communication infrastructures and the preparation of professional communicators trained to link communication systems to the development effort. Investment in this sector in developing countries has been minor, if not piddling, and this may be one of the reasons.

On the other hand, where there have been successes, and where communication has played a significant role, media structures, legislation and the operations of professional communicators have not always measured up to international standards as enshrined in the Declaration of Human Rights. National philosophies, an ethics of economic advancement or other 'development considerations' have superseded basic human rights, placing the good of the collectivity over that of the individual.

Since the dismantling of the Berlin Wall and the creation of newly independent states in both Eastern and Central Europe and Central Asia, a new wave of independent, pluralistic media has swept many countries, bringing in its wake appeals for new, more liberal media legislation; more independent and autonomous media structures and forms of ownership; more rational orientation to the social, cultural and development aspirations of society. These events are bringing about serious changes in the rules of the development game and in the perceptions of how communication can contribute to development.

In the middle of this fourth decade of development, there is perhaps room for more nuanced conceptions, more refined strategies of how independent, pluralist media can contribute to social and economic progress.

When the strategies of the first decade of development in the 1960s did not bring the promised GNP figures and the expected economic take-off for the developing countries, there was reasonable disappointment. The second and the third decades of development did begin to show brighter GNP figures for some countries in Asia, but populations expanded and poverty worsened. While programmes stressed the green revolution and agricultural sufficiency, this was also the era of massive rural-urban migrations, the rapid emergence of mega-cities, the proliferation of slum towns and the man-made creation of urban pollution. Economic benefits were not shared horizontally with the masses, but remained in the hands of a few, the social and financial elite or, in less voluminous quantities, in the hands of a beginning, but slowly emerging, middle class. Consequently, in the late 1970s and 1980s, emphasis was given to the social dimensions of development, particularly education and population policies. When GNP figures still did not reflect the sharing of benefits among the masses, corrective measures were taken in the 1990s, particularly by the United Nations Development Programme (UNDP) and some donor agencies, by orienting programmes directly to attack poverty, environment and development at the grassroots level.

Despite more than four decades of disappointing returns on investment in development in most countries, there have been at least two economic miracles, Japan and Singapore. Japan had to rebuild its economic machine entirely after World War II; Singapore, after declaring its independence in 1965, had to create a whole new nation from three distinct races. There are, however, a number of traits these two countries hold in common, which include:

— longstanding loyalty to a leader, the Emperor or the corporation president (a modern personification of the samurai chief) in one case, the Prime Minister in the other; and underpinning this loyalty, a sense of cultural and national unity, an almost fierce pride in being Japanese or Singaporean;

— a long tradition of education and learning, whether in schools, guilds, artisanal settings or one's cultural group; this learning has reinforced what communication media transmit and enables a more rational discernment of messages and a more relevant response;

— a dynamic and expanding communication media structure that has kept close to the leading edge of technology for print, electronic and digital forms of communication.

But from this point on the two countries differ. Whereas Japan has cultivated a free and liberal press system guaranteed by the Constitution, Singapore has systematically oriented its media to adhere to national and cultural unity and rapid economic development. In his country report to the 1989 General Assembly of the Confederation of ASEAN Journalists, Ivan Lim, General Secretary of the Singapore National Union of Journalists, calls this tandem journalism, 'in which the newspapers pedal along with the government in the direction set by the political leadership'. This is epitomised today in the strategy, Information Technology 2000, which Singaporeans believe will be the basis for making this city-state the commercial hub of Asia by the beginning of the third millennium. It is a belief backed by major investments, government policy, the will of the country's business sector, obviously also by the communication media, and by the people as a whole, who stand to benefit the most.

The other side of the coin is that media in Singapore, both national and foreign, are governed by strict laws and regulations. While media are encouraged to support and discuss development strategies, those that criticise aggressively so as to instil doubt or question the credibility of leaders, or disrupt national and

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cultural unity, can be fined, suspended or prohibited from circulating. Foreign newspapers and magazines circulating more than 300 copies must apply annually for a licence to distribute, a privilege not always granted.

Communication – tool for development or for propaganda?

That communication has contributed to the rapid development of Singapore is difficult to deny, particularly as communication and information technology have already been established as Singapore's basis for economic and financial success in the year 2000. Singapore has taken the classic paradigms of communication, packaged its information message (national and cultural unity, economic advance) and disseminated this message over its national media, also preventing any dissonant communication from national or foreign media by strictly framed enforced legislation.

The case of Singapore shows that a well-designed communication strategy, together with a strong educational basis and a sense of unity and loyalty, can contribute to social and economic development. The irony is that news media are so tightly controlled. But there are indications that the strict media regulations are beginning to loosen, as surveillance of direct satellite broadcasts becomes increasingly difficult and as greater intellectual space is allowed to journalists in Singapore to discuss issues more fully and freely. 'The boundaries have extended in recent years and there is significantly more intellectual space to discuss issues that tended not to get discussed before,' says Cheong Yip Seng, group editor-in-chief of the English and Malay papers of the Singapore Press Holdings (R. Mitton, What Role for the Press, in *Asiaweek*, 25 September 1992).

In contrast to Singapore, Indonesia has vast rural populations, scattered over thousands of islands, making national unity a major preoccupation. Indonesia has consequently invested heavily in satellite communication for broadcasting as well as for telecommunication, much of it designed and manufactured nationally. Over the years, this investment has paid off in achieving a sense of national unity, cultural identity and fluency in the national language, Behasa Indonesia. This country follows a national philosophy that traces its origins to reactions during the post colonial period (1945-1949) and that, as mass media grew, was also applied in the early sixties to information. This is the *pancasila,* meaning the five principles: belief in one, supreme god; a just and civilised community; national unity; democracy led by the wisdom of consensus among representatives; social justice for the entire people of Indonesia. These five national values stand above all other considerations and guide all philosophies, thoughts and movements. They are above even what other societies would call basic rights, like the right to private property, the right to information and the right to be informed. These rights are subjected to the primacy of the pancasila. The primary right in this philosophy is the good of the collectivity, the state with its 30 000 islands and their 200 million inhabitants that make up the archipelago of Indonesia.

Journalists learn to be especially sensitive and cautious in writing about ethnic group issues, religious issues, or conflicts arising therefrom. These quickly translate into the situations in Banda Aceh, Irian Jaya, Timor and others. Dealing with these issues in either the foreign or the national press within the territory of the archipelago, in a way that may harm national and cultural unity by favoring the interest only of certain groups or sectors, that may question the credibility of the government, or may seem to mock religious or cultural values, is simply taboo. And sanctions can be severe.

It is significant that at a preparatory meeting held in Bangkok for the World Conference on Human Rights several Asian states, notably Indonesia, Malaysia, China and Singapore, strongly advocated a flexible approach to human rights and one that would take into account Asia's cultural and political specificity. Reflecting the *pancasila* philosophy, Indonesia sought a 'symmetry between respect for the fundamental freedom of individuals and the individual's responsibilities to society' (Information Service, United Nations Office at Geneva, HR/3368, 30 March 1993).

With *pancasila* as a basic guiding philosophy for the press, Indonesia has kept a steady pace in economic development, but with an annual per capita gross income of only $550 (while that of Singapore is over $13 000). The gains have been rapidly absorbed by its swelling population-200m compared with that of Singapore which has fewer than 3m inhabitants. Nonetheless, media and particularly satellite television have been a significant factor in unifying the diverse peoples of the archipelago.

Communication at the grassroots: helping settlers move downstream and re-establish their farms

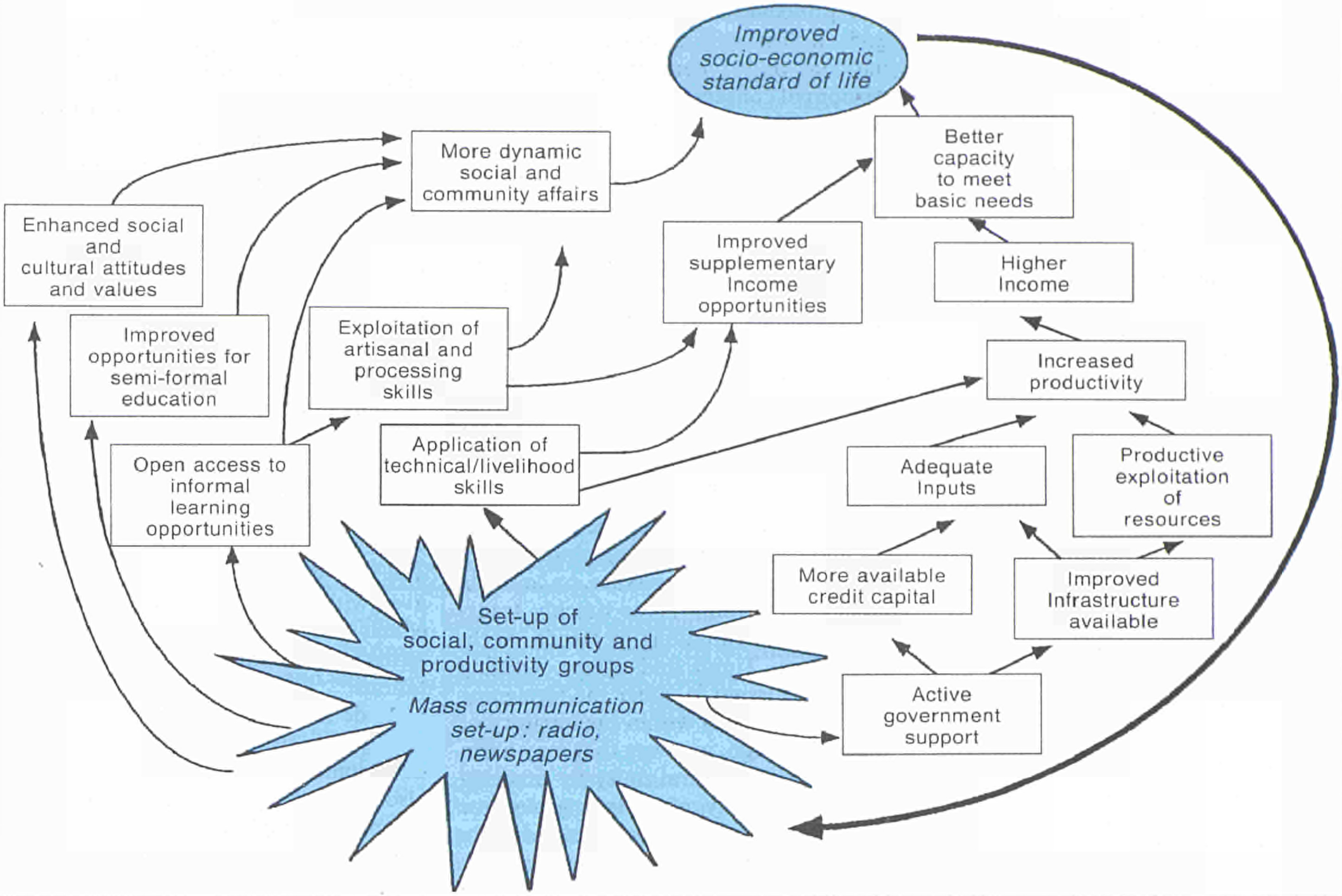
But what can communication do to spur development at the grassroots level, now one of the key targets of the UNDP programme? In Sri Lanka, UNESCO and Danida cooperated on the Mahaweli Community Radio project, whose aim was to follow the one million settlers destined to move downstream upon the opening of the irrigation dams upstream. The Mahaweli Plan was the government's single, most comprehensive development strategy, enduring through three administrations. From 1979 to 1990, more than 40 mobile radio producers were trained and they visited some 200 villages. They lived with the farmers and recorded and edited programmes in the villages for airing on the Sri Lankan regional stations.

Aside from maintaining a continuous dialogue between the people and the development agents, these programmes also taught ways of earning additional income (through breeding of goldfish, selling of cassettes with traditional music); practical farming tips (use of biogas, building simple corrals for farm animals). In one experimental independent FM station, in Guirandurokotte, the villagers even established their own village clinic and trained a team of village nurses. When the project began in 1979, Guirandurokotte was a crossroads intersecting grassy fields and lined with shacks where saronged old men sold tea. Today it is a buzzing commercial centre. In the context of concerted teamwork, community radio has brought social and economic improvements to the new settlers of the Mahaweli River valleys.

Tambuli – the voice of the small people for the development of the community

In the Philippines, community radio has taken a different tack, focusing first on the organisation of the community, a community centre for meetings and work in groups, and a community-supported radio station and newspaper. *Abot-Tanaw* (share your insights), the first

Schema: How the media inform to catalyse development (prepared by the Tambuli Project Management Team)



newspaper in Laurel, a rural town lagging behind the more progressive urban centres of the province of Batangas, pointed to a filthy market place (it was cleaned up by the end of the week). It featured articles on the origins and tourist potential of the volcano Taal, and gave free expression to poetic and literary talents in the small town. Its sister radio station, *Radyo Bayuyungan*, the old name of the town (meaning little rice bag), was set to go on the air in March 1993. It is expected to tackle problems such as rebuilding the economy of the town (now, mainly fish-breeding and rice cultivation), extending the road to connect to other towns and provinces (it is now a dead-end road which leads only to this town), and building up tourism along the lakeshores.

One insight this project learned early was to analyse the underlying reasons for underdevelopment and poverty. The project team worked out a schema depicting how the lack of information led to scant usage of loan facilities, ignorance in the use of fertilisers and the advantages of cooperative marketing, lack of awareness of local development programmes and inadequate use of available skills and talents. They then turned the schema around in the positive sense and began drawing action lines, showing how information through local media could spread knowledge of loans and programmes, enhance social values for cooperative work and contribute to the social and economic development of the community. This is the basic platform for establishing the next eight stations targeted by 1995 under the UNESCO/Danida project, Tambuli Community Radio (see schema).

In Africa, since the 1970s, rural newspapers (supported by Norway, Germany and Switzerland) have been contributing their share to literacy, health and hygiene, social and economic development. At that time, it was realised that teaching literacy was in itself insufficient to ensure long-term results in education or in any other related sectors. It was equally important for new literates to retain their learning and apply these skills in reading, particularly of information and materials relevant to uplifting their social and economic status.

'It was like emerging from darkness'

an old African lady reading a newspaper for the first time

The earliest rural newspapers were therefore closely linked to programmes of literacy and adult education. They were simple mimeo sheets of a few pages circulated weekly or monthly. As these papers matured over time, some of them became more professional, applying conventional layout techniques and printing on offset. They also incorporated more local, regional and some national news. One of the oldest and most progressive, *Kibaru*, the pioneer paper in Mali, is now in its 20th year of publication and has several vernacular editions.

Today there are more than 30 rural newspapers, whose themes focus on advancing literacy, farm practices, health and public hygiene, particularly the use and maintenance of safe water. Though relatively low in circulation compared to national newspapers, they have reached scores of dispersed and isolated villages.

In Asia, a recent experiment has shown new possibilities; a wall newspaper, which prints an entire edition on a poster-size paper to be pasted in public places in villages and small towns. In Nepal, one such wall newspaper is now reaching a circulation of 20 000 copies. These papers feature health practices and ways to protect the environment and are supported by several local and international development agencies.

Based on the advances so far, an intersectoral UNESCO project was launched towards the end of 1992 to link rural media, community radio and newspapers to educational efforts, particularly in literacy and adult education. Financed by Germany, this project focuses primarily on the least developed countries. Its main purpose is to use the multiplier effect of local media to spread educational benefits further to the grassroots and thereby provide a more solid basis for social and economic development.


VIVANT UNIVERS

Development of societies must include development of the whole man, not only food, clothing and shelter, but also the evolution of his intellect and spirit, and especially his freedom

There can be no democracy without free media

Development of societies must include development of the whole man, not only food, clothing and shelter, but also the evolution of his intellect and spirit, and especially his freedom. Development is therefore closely linked to democratic structures providing an open market economy as well as free media. This is being realised now, perhaps painfully, as several countries of the former Soviet Union are currently in the throes of re-organising their economies according to an open market strategy. Realising the debt burden of media industries which need no longer be subsidised by government, they are also re-organising media infrastructures and re-formulating media legislation. At the same time, several socialist-oriented countries in other parts of the world are also gradually transforming their political and economic structures to diversify their markets and open the doors to new avenues of social and economic growth, including more liberal media legislation.

There can be no democracy without free media. Nor can there be development, whether of individual persons or of whole countries, without free media. The UNESCO General Conference of 1991 recognised this basic tenet and formalised its importance to the international community by adopting Resolution 4.3 supporting the Declaration of Windhoek which promotes an independent and pluralistic African press (3 May 1991). The Resolution explicitly states that '... a free, pluralistic and independent press is an essential component of any democratic society...'. In the same vein, the Declaration of Alma Ata promoting independent and pluralistic Asian media (9 October 1992) also confirmed the Windhoek Declaration, applying the same principles to the Asian region.

The Resolution linking the free flow of information to democracy is, on the one hand, a reflection of the changing realities in many countries where progressive movements, transformation of political philosophies and even whole changes of government have been taking place since the crumbling of the Berlin Wall in 1989. Former socialist structures, usually imposing a rigid governance of the media, are now giving way to more autonomous and pluralistic media in many countries of the world. The appeals to UNESCO for assistance in new media legislation to respond to this situation have increased significantly in just the last two years.

On the other hand, the Resolution is also a call to those countries that have not yet liberalised their media structures, urging that this will one day have to be done. A phenomenon that has partly contributed to this now accelerating situation is the advent of direct broadcasting by satellite, which transcends national borders and reaches almost any country in the world, regardless of political structures or inhibiting laws. While some countries have formulated legislation inhibiting or restricting satellite reception, the means of implementing such restrictions are practically non-existent, and non-compliance has become the rule rather than the exception.

If the free flow of information by word and by image is essential to the workings of democracies, it is also an integral part of the development thrust. As skills and knowledge for livelihood were imparted by word of mouth in traditional societies, information on social and economic development, as well as on cultural mores, is conveyed today through newspapers, radio and television.

To achieve full, democratic development, societies must be free. And communication media must be free. ○ C.A.A.

Economic success – why Mauritius?

by Pierre YIN *

The speed and scope of Mauritius' economic success are a constant source of surprise. The island went from chronic unemployment, which was in the region of 20% in 1983, to full employment in 1988, creating 110 000 jobs, 66 000 of them in the free zone (mainly in the textile industry), on the way. Why did Mauritius succeed where so many countries have failed? An objective look at the country's economic development will tell us.

Mauritius is in fact one of the few ACP countries to have made use of the provisions of the Lomé agreement for its economic development. It began by consolidating its sugar industry under the Sugar Protocol and generating funds which it invested in economic diversification, focused on its tourist trade and textile industry. It then used the unlimited, duty-free access to the European Community to develop the textile industry which has become the country's leading activity and the basis of its present economic success.

The explanation of the island's achievements would be incomplete without mention of the part played by the economic, political, cultural and social environment which is the hallmark of this small country, a mere 2000 km², whose multi-racial population lives in harmony and tolerance and has made a success of maintaining unity in diversity. For it is these special national features which have enabled Mauritius to cover so much economic ground so quickly.

Foreign investors were no doubt attracted by the advantages which the free zone offered and particularly the large supply of cheap labour, the tax benefits and the infrastructure. What tipped the balance, however, was the possibility of free access to the EEC. This brought in large numbers of businessmen from South East Asia, who set up textile plants so they could move into the Community markets and get round the quota system of the Multi-Fibre Arrangement, which constrained exports from their countries of origin.

The textile industry was gradually to become the country's leading economic activity and the basis of its economic success. With more than 70% of Mauritian textile output exported to the EEC, it is clear just how important Lomé is to the development both of the island's textile industry and of its economy as a whole.

The Lomé provisions

The Sugar Protocol

Before the island became independent in 1968, the sugar industry was virtually the only really productive activity, accounting for more than 30% of all jobs, more than 30% of GDP and almost all the country's exports. At that stage, sugar exports were regulated by the Commonwealth Sugar Agreement, which came to an end on 31 December 1974, with Britain's entry into the EEC.

Rather than take a short-term view and maximise profits by concentrating sales on the free international market at a time when world prices were fairly high, Mauritius opted for a future with greater stability and joined the Sugar Protocol (set up to replace the Commonwealth Sugar Agreement), which gave it guaranteed prices for a fixed annual quota representing about 75% of its exports.

This brought it a stable income year after year and, above all, enabled it to benefit from the fact that the EEC's guaranteed prices were far higher overall than prices on the international market. So the sugar industry survived — which it would not have done had it been subjected to the vagaries of the international market alone — and, most importantly, it was able to release surplus finance for reinvestment and diversification, particularly in the free zone and the tourist trade, at the same time ensuring the State more than 10% of its budget revenue.

The sugar industry was responsible for many of the first installations in these sectors and it has continued to help maintain national interests in them. About 50% of the companies in the free zone are now controlled by nationals and most of the tourist trade is in Mauritian hands. So the sugar industry has made a vital contribution to the country's economic success and of course — and this is most important — it would not have been able to do so without the Sugar Protocol.

Unlimited, duty-free access

In 1982, when the free zone appeared to be running out of steam, the Mauritian Government embarked upon an intensive, widespread campaign to attract businessmen to invest there. By 1983, increasing numbers of investors were arriving on the island to set up factories and create jobs. At the same time, as if this were all they had been waiting for, Mauritian investments in the free zone took off again, along with investments in the tourist sector — a combination which had a snowball effect on the whole economy and brought the success which we are now experiencing.

Special national features

Support from the political and social system

Mauritius is one of the rare developing countries to have kept its political system, a liberal democracy which, despite the occasional setback, has made the country a fine example of political stability. Investors see it as protection against the hazards of expropriation, the withdrawal of work permits, such things as harsh, overnight changes in the investment code and the labour laws and so on. It is the thing they value most. They are used to this kind of framework and ill at ease in different political environments, particularly authoritarian and centralised ones which will often hold back the development of private enterprise.

If there is any hesitation, the fact that it is easy to fit in with the local population and its way of life tips the balance in favour of a move to Mauritius in the end. Investors and the managers they have to send out to run their firms must be able to live well in the host country of their choice, where they may be spending a good part of their lives. Mauritius offers the advantages of both pleasant surroundings (a tropical climate, beaches and so on) and, above all, a welcoming people. And because the island has a cosmopolitan population, the foreign

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Manufacturing jewellery in Mauritius

'The Mauritian model cannot be exported, because its strength lies in its own particular political, social and cultural features, which are unlikely to be found elsewhere'

investor feels at home at once, whatever his nationality. There is no xenophobia, no cultural rejection and no discrimination between him and the local businessmen, all of which makes Mauritius an attractive place to invest, work and live.

Credible socio-economic partners

Schooling is compulsory until the age of 16, so the Mauritian population has the basic intellectual requirements for industrial development. There was clearly every point in putting priority on education and making it free at a time when the country could barely afford it, for investors can now obtain local managers and workers with a good enough grasp of an international language (either English or French) at least to understand any instructions they are given. Local supervisory staff, who do sometimes need a little extra training, are available to run production operations and perform administrative duties in all but the relatively specialised areas. It would of course have been too expensive to bring in such personnel from abroad.

Mauritius' community of experienced local businessmen gives undeniable confidence to foreign investors interested in setting up there, since it means that there are reliable contacts — bankers, purveyors of services, suppliers and even potential partners — available to contribute to the efficiency of their operations. And the fact that there are properly organised companies, often forming fairly powerful groups, is proof that business on the island is good. The stringent running of the sugar firms, the banks, the big commercial houses etc. is a plus factor, because it shows that there is indeed business to be done in Mauritius. The heads of the country's firms have always had national interests at heart and have never really started switching capital abroad, even during the darkest periods of the island's economic history. So foreign investors have always been able to find the funds to finance their operations on the spot and money has been available to local businessmen too, who were thus able to join in the great investment drive of the 1980s and help the recovery of the Mauritian economy.

A national consensus

Decisive to the investment revival was of course the country's consensus on the strategy and aims of national development. What impressed the foreign investors most, undeniably, was the fact that authorities, businessmen, cadres and workers alike were obviously keen to get the free zone and the tourist trade off the ground and develop the national economy. The Mauritians, above all, were courageous, realistic and open-minded and practically no-one was afraid of being taken over by foreign businessmen, even South East Asians, who are known for their business acumen. On the contrary, the general feeling was that the Mauritian Government and people were counting on foreign investments to get the island's economic machinery back into gear.

Mauritians had to attract these investments, learn from them and then launch similar activities of their own. It was made very clear to foreign investors that they were needed and they were welcomed with open arms, often by leading State figures. The feeling of being useful to the country and its people as well as making money there, was an attraction to many investors from abroad and there was no shadow of doubt as to the intentions of the population which was highly motivated. It was this sense of solidarity which led to a wave of new local businessmen who learnt from and copied the foreigners and left the beaten tracks of traditional activity or safe employment to take up new activities, particularly in the textile industry, the tourist trade and related areas — a mushrooming of activity which enabled the country to make a great leap forward in a very short time.

Productivity and efficiency

The Mauritian model cannot be exported, because its strength lies in its own particular political, social and cultural features, which are unlikely to be found elsewhere. Many countries could offer the objective advantages of a more generous free zone system and a far bigger, cheaper labour force. But very few could also offer a stable democratic system, a welcoming and adequately schooled population, an experienced business community devoted to the national cause, employers and employees with motivation and the social and cultural environment to make foreigners feel at home. Provided they are not content to stay where they are, such an admirable country and admirable people should mean that Mauritius' economic success can be sustained and cease to be a cause of astonishment.

Above all, the Mauritians must not fall into the easy trap of always relying on the generous provisions of the Lomé Convention to keep their development up — although the island would probably not be where it is today without them and it would certainly find it difficult to stay on course if the protectionist and preferential measures which they involve were to be relaxed in a freer international environment. So the people have to step up their drive for the ever-greater productivity and efficiency which are the only factors of sustainable development. ○

P.Y.

Aeronautical satellite telecommunications for Central and Western Africa

by Edmund APPELBAUM *

In 1985, concern over levels of safety in Nigerian airspace were such that, at the request of the Nigerian Government, the UNDP financed a study on how aviation standards could be brought up to internationally accepted levels.

The International Civil Aviation Organisation (ICAO), which carried out the study, pointed out that among the most alarming problems were inadequate air to ground communications and the virtual absence of communications with neighbouring countries by means of either direct speech or 'Aeronautical Fixed Telecommunication Network' (AFTN) circuits.

In an effort to determine the optimum system of communication between airports, the ICAO considered conventional means such as microwave links and high frequency but it finally recommended the use of satellite facilities offered by INTELSAT (the International Telecommunications Satellite Organisation).

A request to finance a project along these lines was submitted to the EC Commission. The national authorising officers of the region, at their meeting with the Commission in Cotonou in May 1987, gave priority to the use of Lomé III regional funds for measures to improve air traffic safety in Central and Western Africa.

A feasibility study produced by International Aeradio Ltd (IAL) in January 1989, proposed that a closed digital network — using INTELSAT facilities — be established between eight countries and 15 airports in the region, with communications limited to air traffic control matters. In July of the same year, a study for detailed design, specifications, preparation of the tender documents and adjudication was awarded to IAL.

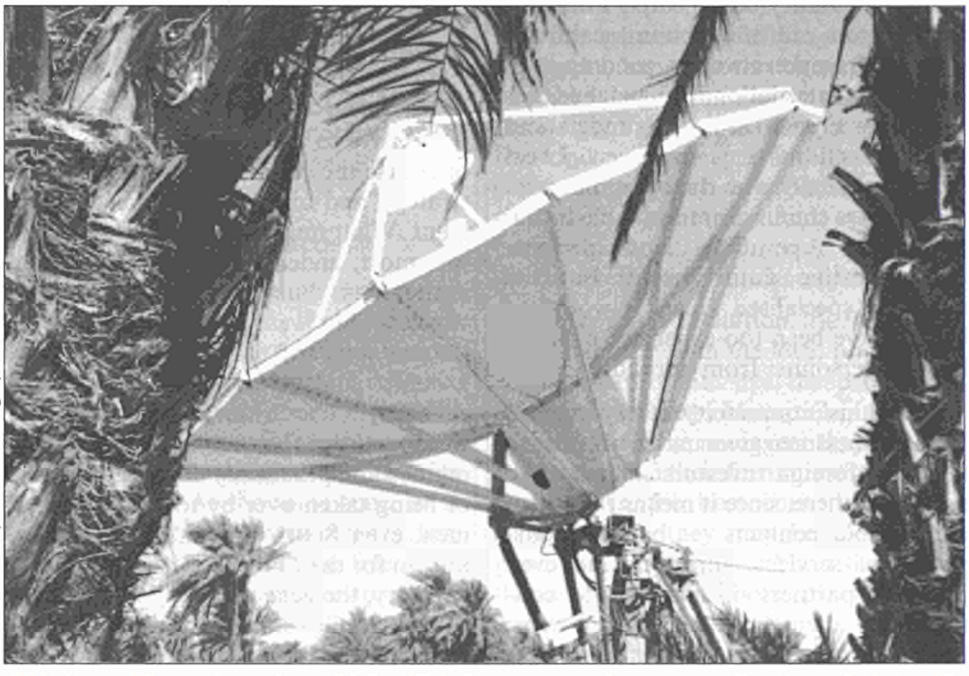
However, the launching of a call for international tender could only take place once a series of preliminary requirements had been fulfilled by each of the eight states participating in the project. INTELSAT regulations only allow contracts to be made with INTELSAT signatories, who are normally the PTT or telecommunications organisations of the countries concerned. [1] As a result, close cooperation between the eight countries was necessary at the preparatory stage. Within each country, the INTELSAT signatory had to inform the organisation of its firm intention to participate in such a network. Furthermore, individual operating agreements between the INTELSAT signatory and the local civil aviation authority had to be signed, allowing the latter to own, operate and maintain the earth stations at a rate specified by INTELSAT plus a 5% allowance for the PTT's overhead expenses.

The problems of coordination, when so many different authorities are involved, may explain why, although INTELSAT has since 1973 offered a full range of services which are specially designed for developing countries, these have not hitherto been used for civil aviation purposes.

Another complication which arose during the project implementation phase was in finding a Regional Authorising Officer (RAO) for the eight countries, in accordance with normal EDF procedures. The solution finally found was to entrust the responsibility for preparing, implementing and operating the project to three RAOs. These were: for Nigeria, the Federal Civil Aviation Authority; for Ghana, the Ghana Civil Aviation Authority, and for the remaining six countries, the 'Agence pour la Sécurité de la Navigation Aérienne en Afrique et Madagascar' (ASECNA).

In practice, this division of responsibility meant that the Financing Agreement had to be signed by all three RAOs and the contract for the 15 earth stations had to be divided into three subcontracts covering Ghana, Nigeria and the ASECNA members.

Although the Commission is represented in all the countries concerned, it took some time (from May 1990 to June 1991) to carry out the preliminary procedures between INTELSAT, the PTTs and the civil aviation authorities. An international tender for manufacture, supply, installation and training was launched in July 1991 and, following the award of contracts, work commenced in


The CourierLe Square des Photographes, Puteaux, FR

This is an F2 earth station which will help to ensure better coordination of air traffic control in Central and West Africa

[1] In the eight West African states involved, these are as follows: Cameroon — INTELCAM; Central African Republic — OCPT; Chad — TIT; Congo — INTELCO; Gabon — TIC; Ghana — PANDT; Niger — STIN; Nigeria — NITEL.

* Principal administrator, Directorate-General for Development, European Commission.

July of the following year. The implementation period is fixed at 22 months and the aim, therefore, is for the whole closed network to be operational by May 1994.

Project description

The project will enable safe and continuous operation of Aeronautical Fixed Services by creating independent links (the so-called 'closed system') between the eight countries and 15 airports in the area covered by the 'Flight Information Regions' (FIRs) of Niamey, N'Djamena, Accra, Brazzaville and Kano as well as the new Lagos FIR which is due to come into operation in 1993. These links will permit direct speech between the airports covered by the system as well as transmission of air-traffic control and meteorological data. In addition, in Nigeria the project will significantly improve ground-air communications through extended-range VHF schemes. The project overall, therefore, has two components — a regional one and a national (Nigerian) one.

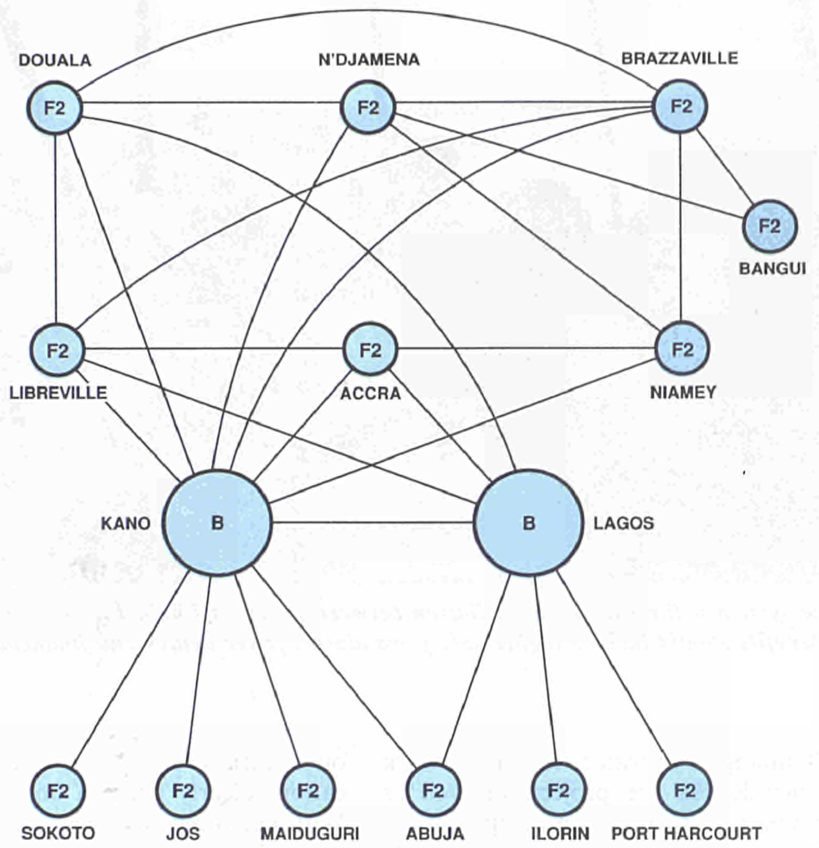
The regional component consists of nine earth stations to be installed at Accra, Brazzaville, Douala, Libreville, N'Djamena, Bangui, Niamey, Kano and Lagos. Kano will be the coordination centre of the network and will, therefore, have a direct connection with the INTELSAT operations centre in Washington.

Two stations will be responsible for supervision and remote maintenance monitoring, Kano for Nigeria and Ghana, and Brazzaville for the ASECNA countries. All stations will be linked by direct speech communications through an INTELSAT satellite.

Nigeria is the main focus of the network and, as stated earlier, there is a need to improve air traffic safety over this country. This will be achieved by the installation of six earth stations, together with the associated communications equipment, in Abuja, Ilorin, Jos, Maiduguri, Port Harcourt and Sokoto. Each of these centres, together with Kano and Lagos, will also receive VHF stations to provide extended coverage for Nigeria's airspace.

The project includes provision for technical assistance to be provided by the supplier of the earth stations for the first four years of operation. One expert will be based at Kano and a second at Brazzaville.

The Satellite Network



What is Intelsat?

The International Telecommunications Satellite Organisation (INTELSAT) is an international organisation of 114 countries that owns and operates the global commercial communications satellite system serving the entire world. The system is used primarily for international communications and by many countries for domestic communications. INTELSAT was created in 1964. Today, through a network of 13 satellites in geosynchronous orbit over the Atlantic, Indian and Pacific Ocean regions and more than 700 antennas, INTELSAT links together more than 165 countries, territories and dependencies around the globe.

The predominant provider of transoceanic telephone and television services, INTELSAT is so much a part of today's worldwide communications system that it touches the lives of hundreds of millions of people daily without their knowing it. When you make a telephone call overseas, send a telex from one country to another or watch a television broadcast of an international event, it is likely that the transmission will be brought to you by INTELSAT.

The organisation embodies the spirit of successful international cooperation in the application of advanced space technology. INTELSAT has accomplished much during its first two decades, but now it has entered into a new phase in its history. Just like the marketplace in which it operates, INTELSAT is dynamic. Its operations are characterised by efficiency, technological advances and responsiveness to national and international user needs.

Commission

The system will result in closer liaison between different Flight Information Regions. Benefits should include higher safety standards, fewer delays and financial savings

Training of operators for the network is included in the project, as well as training for engineers on equipment for Nigeria's aviation systems.

As this is the first project of its kind in the world, a test period of 18 months is foreseen. During this time, evaluation of the reliability and effectiveness of the complete closed network will be carried out by independent experts.

The project is being financed with grants, consisting of ECU 18.5 million from Lomé III regional funds and ECU 20.0 million from Nigeria's National Indicative Programme under Lome IV.

Impact

The improvement of aeronautical communications throughout the region will clearly have significant positive effects, particularly as regards safety and regularity of air traffic. The result should be better flight operations, as well as enhanced passenger comfort and convenience, leading to more comprehensive economic and other benefits for operators and travellers alike.

More specifically, the following improvements may be expected:

Changes to Air Traffic Control Separation Standards. The standards applied to keep aircraft apart in the skies are based on a variety of factors, but communications clearly play an important part. With enhanced facilities, there will certainly be a strong case for reviewing current standards since it should be possible to handle more aircraft in a given area without compromising safety. In addition, the application of common separation standards throughout the region should simplify and expedite traffic flow.

International Air Traffic System Liaison. There should be an improvement in flight regularity, particularly for scheduled operations. To take the example of aircraft transiting across a particular Flight Information Region, given that efficient communications between neighbouring flight information centres are the basis for transferring control of aircraft as they cross international FIR boundaries, guaranteed communications should allow them to proceed unhindered. In addition, where so-called 'flow control measures' are necessary (which might, for example, mean delaying take-off times at the airport of departure), good communications can ensure that these are more accurately and efficiently achieved. This should help, in particular, to avoid time-consuming and costly 'holding' delays in which an aircraft is forced to stay in the air burning fuel until a landing slot is available.

Routing flexibility. Although airlines will naturally choose the most economic route wherever possible, there are occasions when alternative routing is desirable for operational reasons. Immediate liaison between different air traffic systems will ensure a more effective and coordinated response in such situations.

Weather routing. Similar benefits can be envisaged in respect of reroutings which are required because of adverse weather conditions.

Cruising levels. The achievement of optimum cruising heights is often hindered because of inability to ensure that there has been proper liaison regarding level changes. When such liaison is assured, the result can be significant economies for the operators.

Diversions. These are unavoidable from time to time, but proper communications ensure that they can be slotted in with minimal disruption.

Information. Clearly, a better system of liaison will also mean that information which is critical for flight planning can be passed on to operators, while passengers too can be better informed.

Departure delays. Delays in obtaining take-off clearance — which can be very expensive for the airlines once the aircraft has started up, should be alleviated by the new system.

Airspace congestion. This is not currently a serious problem in the West Africa region but efficient communications are clearly beneficial in improving traffic flow more generally and should reduce problems in the event of any future increase in air traffic.

Finally, as regards the operating costs of the new system, there will obviously be financial implications for the civil aviation authorities in the eight countries covered. The total rental costs for the satellite circuits associated with the new stations amount to approximately \$164 000 per annum. (\$71 000 for the six ASECNA countries, \$8000 for Ghana and \$85 000 for Nigeria). Annual replacement costs, covering depreciation and spare parts, are estimated at \$1.8 million. It should be possible to recover these costs from the air carriers, given that they will benefit from substantial savings once the system is operational○ E.A.

GATT — the non-agricultural round

The south on a razor-edge

by Joseph ROCHER *

The developing countries, representing 70% of the contracting parties count for little in the GATT negotiations. This is because of their share of world trade (2.6% for Africa and 4% for Latin America in 1990, figures which also apply to the value of the goods traded) and because they all negotiate separately. There is very little in common between those like Chile and Mexico, which are able to develop their exports and are in the Cairns group [1], those like India, which have applied strategies of national construction and now have to carry out resolute policies of economic liberalisation, and the poorest nations, which are net importers and have no power at all.

But, in one way or another, they are all directly concerned by what is on the agenda in Geneva.

Access to the market — i.e. customs duties, which are to be cut and consolidated, and non-tariff barriers — is at the heart of the negotiations. The Uruguay Round is aiming at a 33%, across-the-board cut in customs duties [2] and, since the developing countries tend to levy far higher customs duties than the developed ones, it is they who have to make the effort. Lower duties make access to the developing world easier and should in fact be of benefit to the industrialised countries above all.

But despite duties which often reach 150-200%, the South does not have a monopoly on high customs tariffs. The developed countries have their well-known tariff peaks too — the USA's very heavy 50-56% on goods in sectors where American prices are not very competitive (ceramics, glass and textiles), for example, and Europe's 90% on tobacco and 300% of customs duty equivalent on some agricultural products. Americans and Europeans negotiated hard here. The original idea for some products was to apply the same tariff formula to all the countries where they were marketed, but the tendency now is towards give-and-take, with, say, the Americans opening their market more widely to imports of European textiles, ceramics and glass and the Europeans giving better access to America's electronics. The developing countries are being asked to bring their tariffs down to 50% or even 30% — so the negotiations are by no means over yet.

The developed countries also want to see the developing countries generally consolidate their customs tariffs. The point of consolidation is that a negotiated customs duty cannot be changed unilaterally without commercial or financial compensation and so it helps stabilise a given market. Unlike the developed countries, the developing countries have consolidated only a few of their customs duties on industrial products. The members of the Cairns group, which generally consolidated their customs tariffs to obtain wider access to Western markets, are of course not included here. Although consolidation may help trade relations between the countries of the South themselves, what are the long-term effects on countries which are unable to make serious projections? The EEC's difficulties in suggesting a change to the zero-rated soya import consolidation fixed in 1967 is a good example of this.

Non-tariff barriers are another way of protecting the domestic market and, in 1991, there were still 250 of them, mainly in Japan and the newly industrialised countries of Asia. Quantitative restrictions and voluntary self-restraint agreements on exports are subjects on which the negotiations advance slowly. However, the Mexico-USA tuna war [3] gave a sudden twist to the debate on relations between trade and the environment, a topic over which negotiators had drawn a veil until then. When environmental considerations turn into market protection and lead to an exporting country being asked to apply the laws of the importing country, thereby breaching the golden rule of national sovereignty, the whole of GATT is up in arms!

Products from the tropics (3% of world trade, $70 billion in 1987) and from the exploitation of natural resources (fish, non-ferrous metals and minerals, forestry products etc, accounting for one fifth of world trade) are the subject of specific discussions in the group negotiating market access. The developed nations, and Europe particularly, would be willing to lift the barriers (plant health rules, the tax on so-called luxury products such as coffee and competing products such as rice, tobacco and palm oil) to imports of tropical products from the developing nations if the developing nations consented to a general consolidation of their tariffs in return.

Natural resources are vital to the South and the attitude of the countries of the North is: 'give us access to your natural resources and we will open our frontiers more widely to your products,' although this sort of agreement has never been possible between countries of the North. Canada, for example, refuses to open its fishing zone to European vessels, even in return for better access to the Community market.

Market access is not the only point left to settle before the first quarter of 1993. Textiles and clothing are still on the agenda. This dynamic sector, which expanded by some 101% between 1980 and 1989, as against only 53% for the goods trade as a whole, is regulated by the Multi-Fibre Arrangement (MFA), which expired at the end of 1992 [4]. A priority of the Uruguay Round was to get the sector back into the multilateral agreement, but the delay with the negotiations led to the MFA being extended for another year. Before the developed countries do away with their restrictions on imports from the developing countries, they are waiting for the countries of Asia — whose dynamic approach is as much a threat to the textile industries in Africa as in the West — to lower their customs barriers too and stop producing counterfeit goods.

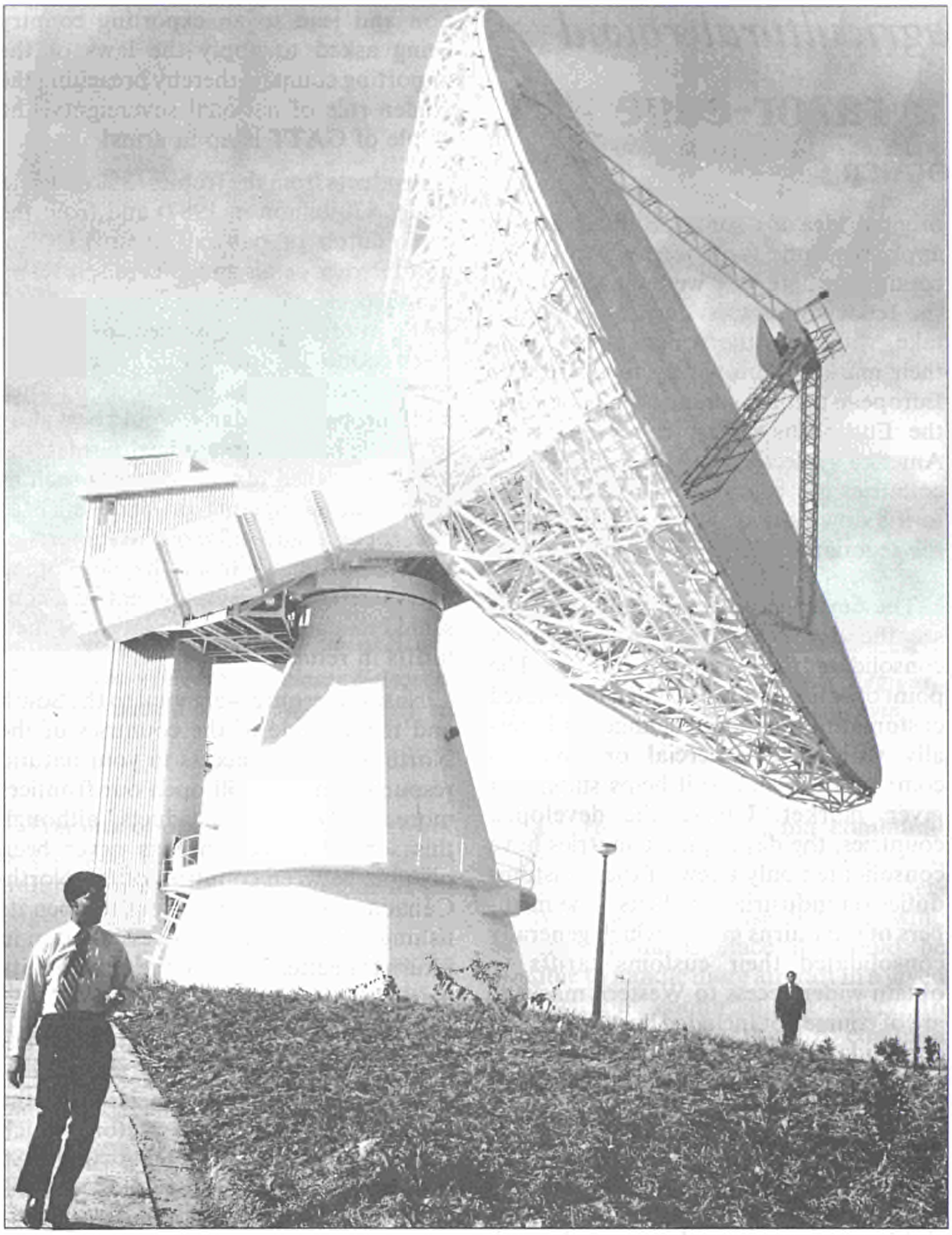
* From the Ministry of Information, Trinidad & Tobago.

[1] Argentina, Australia, Brazil, Canada, Chile, Colombia, Hungary, Malaysia, New Zealand, Philippines, Thailand and Uruguay.

[2] The previous rounds dealt only with industrial products and the duties on them were always being reduced

[3] The USA's refusal to import tuna which Mexican fishermen had caught, using a method in breach of American law, was deemed counter to the rules of GATT.

[4] This package of bilateral agreements (which derogate from the rules of GATT) between 47 importing and exporting countries covers almost half the world's textile and clothing trade (about $2000 billion). It was set up in 1974 and has been renewed five times since.



In a global economy, communications systems and other forms of data provision are essential for an understanding of the market

Another bone of contention is services [5]. For many countries, this is the sector of the economy which is expanding fastest and creating the most jobs (32% of employment worldwide). It accounts for more than 61% of the GDP of the developed countries and 30-70% of the GDP of the developing countries. The framework agreement currently being negotiated must list the commitments to liberalise. This negotiation raises the problem of the autonomy of the developing countries in choosing their macroeconomic and development policies. If international operations and the setting up of businesses by multinationals can be treated as ordinary commercial transactions, then most developing countries, lacking solid rules and regulations to govern competition, are unlikely to be able to prevent monopolies.

Services — condition, not consequence, of development

Connected to services, which are closely linked to technical innovation and investment flows, are the quaintly-named TRIPs and TRIMs [6], the subject of some hard negotiating. TRIPS, trade-related intellectual property rights, pose the problem of access to technology. The developed nations have a virtual monopoly on the world's capital of technology and capacity to innovate, with the developing countries only accounting for 3% of all R&D spending. While businesses in the North lament the money lost to pirating and imitations ($60 billion) and demand protection for their licences and patents, the countries of the South complain about the high cost of transferring technology and the restrictions which companies force upon them. And businesses which maintain that better protection for intellectual property will bring about an increase in transfers of technology may well be greeted with the example of, say, Turkey, which does not protect its patents at all but is seeing its pharmaceuticals industry expand remarkably.

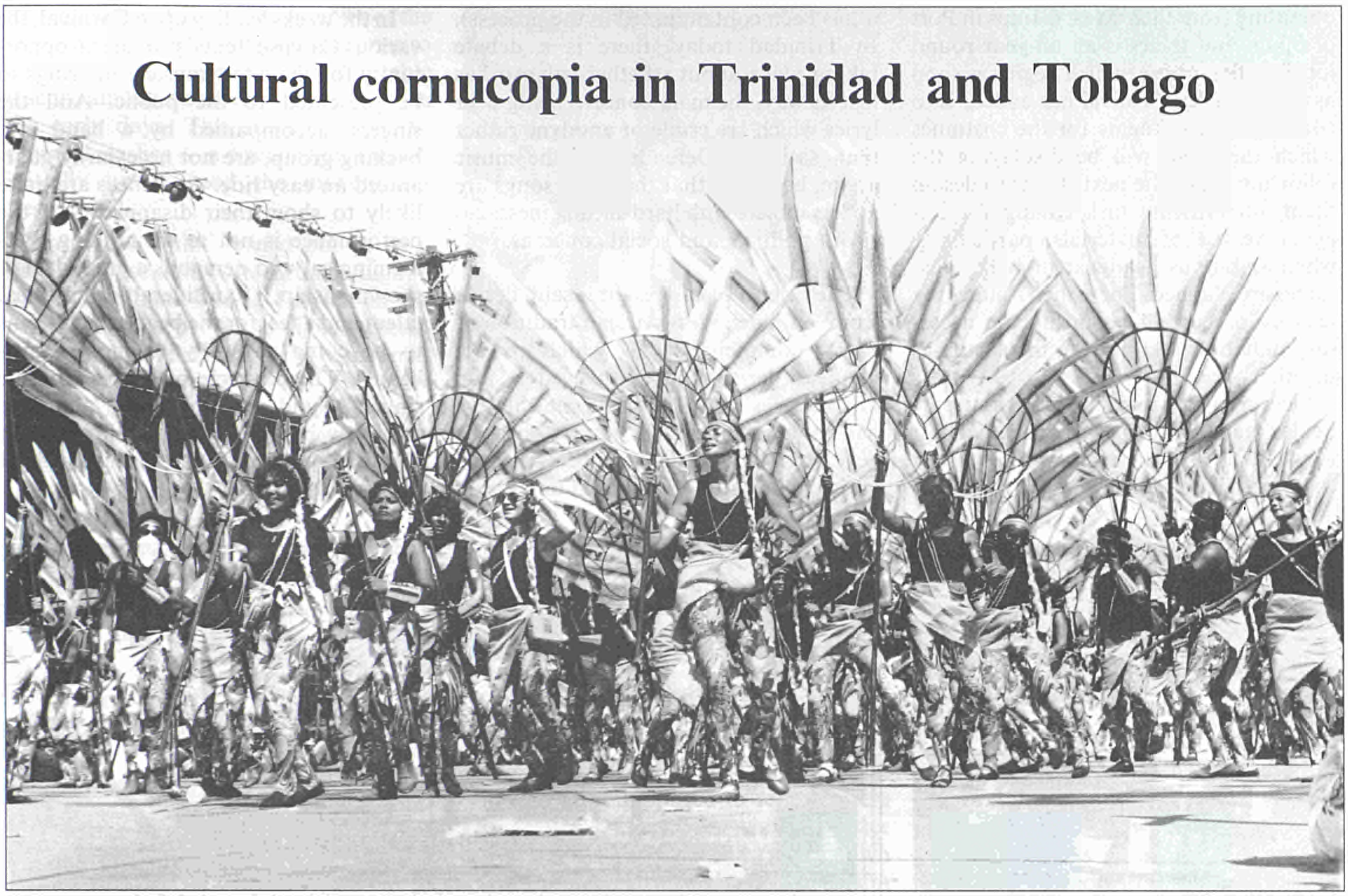
After TRIPS come TRIMs, trade-related investment measures. With no resources of their own and no opportunity to borrow, the developing nations are looking more and more to foreign investors, but foreign investors prefer the developed countries or South East Asia. Businesses, the main ones to be concerned with direct investments, are attempting to get geographical redeployment under way and are calling for a relaxation of the national rules (on the repatriation of profits, the obligation to purchase inputs on the local market etc.) with which the developing countries try to control foreign investments. The 450 free zones around the world today are a response to the multinationals' demand for liberalisation. But the trend is to the detriment of national sovereignty, so how far can it go?

The negotiations seem to bear out the analyses which many economists have produced to the effect that GATT gets its inspiration from the theories of free trade, certainly, but that all economic machinery is conditioned or even determined by the strategies of the people involved, by their powers of negotiation and their ability to retaliate. Even the poorest get something out of trade, according to economic theory, but the poorest could well be cut out entirely in practice. ○ J.R.

[5] Banking, financial services and insurance, plus all activities related to tourism and transport, telecommunications, data processing, research, counselling, experimentation etc.

[6] Trade-related intellectual property rights and Trade-related investment measures.

Cultural cornucopia in Trinidad and Tobago



It was the German educationalist, Kurt Hahn, who fulminated against what he called 'spectatoritis'. He took the view that people should do things themselves rather than sitting back and waiting to be entertained by others. I don't know if Hahn ever made it to Trinidad and Tobago, but if he could go there today, he would doubtless approve of what he found. For whatever conclusions one reaches about the economic performance and prospects of this island country on the southern fringe of the Caribbean, there can be no disputing the immense creativity of its people in the cultural field.

Carnival is the event which many people associate, first and foremost, with Trinidad and Tobago, but even this spectacular occasion is only one element in a rich tapestry of creative activity which spans diverse forms of music, art and literature, and which is characterised, above all, by popular involvement.

Carnival

Trinidad is, of course, not alone in staging a major celebration at Carnival time. The festival is held in the days leading up to Lent in many parts of the world that have a Catholic tradition. However, the Carnival which takes place in Port of Spain has developed into something which is quite unique. Widely recognised as one of the best of its kind, it represents the culmination of months of organisation and creative activity on the part of thousands of participants. Nowadays, it is regarded very much as a national festival, bringing together in celebration Trinidadians of all backgrounds and ethnic origins. Oddly enough, the two days devoted to it — the Monday before Lent or 'Jour Ouvert' (when Carnival officially starts) and Shrove Tuesday (Mardi Gras) — are not official public holidays but there is a tacit recognition that 'normal' activities will be curtailed or suspended during this period.

Carnival is not just a single cultural event. Its best-known feature is the procession of dazzling costumes, floats and bands that take to the streets in a cornucopia of colour, light, sound and all-round revelry. But for many of those who take part in the procession, there is also the more serious business of performing and competing for one of the coveted titles in the Carnival hall of fame — Calypso Monarch, King and Queen of Carnival, Road March King, Band of the Year and the Panorama Award.

Some of the terminology associated with Carnival and its related activities can be a little confusing for outsiders. This year, just over a month before the big event, *The Courier* had the opportunity to visit a *Calypso Tent* and to see what went on in a *Mas' Camp* (where the costumes are made). Images of flapping canvas and tentpegs were soon dispelled as it became clear that the venues were buildings in Port of Spain. The *Mas' Band* one discovers, is in the business of providing a visual display of costumes, albeit with musical accompaniment, while the *Pan Yard* is the place (usually in the open air) where members of steel bands regularly gather to rehearse their repertoires.

Mas' Bands

Among all the different groups that contribute to the Carnival spectacle, the clubs that design and create the dazzling costumes must rank among the most important. There are up to 20 of these operating from their Mas' Camps in Port of Spain and theirs is an all-year round job. The first phase, which begins as soon as the previous Carnival has ended, is to come up with a theme for the costumes which the band will be displaying the following year. The next step is to design them, an intricate task calling for imaginative use of materials, particularly when ambitious headgear or bulky costumes are planned. There then follows the lengthy process of acquiring the necessary materials and putting the costumes together.

One does not need to have any particular qualifications to be a member of a Mas' Band. The designs of the various costumes produced by each club are openly displayed in their camps and are available for purchase by people who wish to take part with the band in question. The price, especially for elaborate costumes, may be high, but such is the Trinidadian love of Carnival that many people are prepared to devote considerable sums of money in order to 'look their best' in the procession.

Perhaps the most surprising aspect of the Mas' Bands is the degree of commitment of those who design and make the costumes. They take a genuine pride in their work and are prepared to put in long hours at the camp in order to ensure that they are ready by the opening of Carnival.

Calypso

The calypso musical form, which originated in Trinidad, has been exported to other parts of the Caribbean and is now widely known throughout the world (although some purists would argue that it has been contaminated in the process). In Trinidad today, there is a debate taking place about whether calypso has lost its way, the main concern being over lyrics which are crude or anodyne rather than satirical. Defenders of the music argue, however, that the latest songs are no less replete with hard-hitting messages about political and social concerns.

The origins of calypso, it is said, derive from 'an older West African tradition of social commentary, in which praise, blame or derision were conveyed in song or folk tales'. In Trinidad, it has always had anti-establishment undertones. It developed among the enslaved Africans in the 18th century and has at times been subject to official strictures. It seems normally to have been tolerated, however, because 'the leaders of society recognised the value of such satirical songs in which the ordinary person, given the privilege of unburdening his mind with the impact of his protest, was neutralised by the controlled context within which criticism was permissible'. [1]

Today's calypsonians would, like their predecessors, presumably prefer to regard their form of musical expression as the vehicle for a message rather than a 'safety-valve' for the establishment. It can be used to express disapproval of a policy, criticise or ridicule a political leader or simply to make a comment about the state of the world. And, of course it must be entertaining!

In the weeks leading up to Carnival, the various Calypso 'tents' provide an opportunity for the latest musical offerings to be presented to the public. And the singers, accompanied by a band and backing group, are not necessarily guaranteed an easy ride. Audiences are quite likely to show their disapproval if the performance is not to their liking. Performing calypso demands a great deal of showmanship, considerable musical talent and a feel for the beat (which seems to be come naturally to most Caribbeans). The pinnacle of success for the singer — and one which will guarantee that they become a household name in Trinidad — is to win the Carnival title of 'Calypso Monarch'.


The Courier

The Courier

Left, members of a steel band rehearsing for Carnival in Port of Spain. Right, a pan yard in Chaguaramas

Pan music

The other 'art form' which Trinidad has given to the world is the steel band. The historical roots of this type of music can be found in the African drum but the steel band as such is a surprisingly recent creation, dating back only to the 1930s. Few at that time could have predicted that the oil industry would provide the basis for a uniquely Trinidadian musical tradition and that something as prosaic as empty oil drums could be turned into instruments capable of producing sublime sounds. Necessity is supposed to be the mother of invention but we should nevertheless pay tribute to the inventiveness of those who, in the hard times of the 1930s, saw the possibility and exploited it. It was during the war years, when Carnival was suspended, that the steel band movement really took off.

When one considers the talent and creativity behind the making of pan

[1] Both of the quotations in this paragraph are taken from the section on calypso in the 1991 Carnival programme.

music and the attractive harmonies of the end result, it is something of a surprise to discover that there was considerable discord among members of rival bands in the early days. This sometimes led to physical clashes — a circumstance which initially undermined the movement's 'respectability'.

Fortunately, this turned out to be a passing phase and, with the introduction of the Steelband Music Festival in the early 1950s (a project designed specifically to channel the aggressive instincts of some band members into a more fruitful form of competition), the sound of 'Pan' soon became synonymous with Trinidad and Tobago, gaining widespread popularity both at home and, increasingly, abroad.

Wayne Barclay is the President of Pan Trinbago, which is the umbrella organisation for the steel band movement in Trinidad and Tobago. He explained to *The Courier* how steel bands used to dominate Carnival in the days before mobile amplification gave the edge to brass instruments in the provision of music to accompany the Mas' Bands. The introduction of a special Carnival competition for steel bands (Panorama) had also meant the channelling of energies in a different direction. Many adherents of the steel band movement view this as a regressive step which has prevented the art form from developing, and Mr Barclay expressed his desire to see a move back towards 'playing mas' with the country's home-grown pan-music.

Although it is widely said that pan music has been in decline since the golden age of the 1960s, the statistics would seem to suggest that it still has a healthy following. Today, the movement has some 10 000 musicians, grouped into bands of up to 120 players (remember that this is a country of only 1.25 million people). In the run up to Carnival, the sounds of the pan yards can be heard across Port of Spain and a closer inspection reveals young players being tutored by their more experienced elders in rigorous practice sessions which go on into the night. The Panorama competition generally attracts between 80 and 90 bands and Pan Trinbago continues to run its biannual festival of pan music, which nowadays has taken on an international flavour with the participation of groups from overseas.

The drums range from the basses, which still resemble oil drums although they are now specially made, through the medium-sized quadrophonics to the twelve-note tenor instruments which usually provide the melody. And the range of music which can be played is immense. There are two official categories; 'Ole Time' and 'Conventional'. The former is supposed to reflect where the steel band came from while the latter can be anything from a well-known modern pop song to an adaptation of a symphony by an 18th-century European composer.


NCIC

A performance of Indian dance at Divali Nagar

Divali Nagar

Although Carnival and its associated activities are quite rightly regarded as national events, they have been moulded principally by African and European historical influences. The islands' Indian tradition makes its own distinct contribution to the cultural diversity of the country, principally through the National Council for Indian Culture. *Hans Hanoomansingh,* who is President of the NCIC, explained how the Council worked for the entire Indian community, the majority of whom are Hindu, but who also include significant Muslim and Christian minorities. He spoke of how attitudes to cultural questions had changed over the years. Whereas, in the past, the emphasis had been on encouraging the development of an indigenous culture (in the interests of national unity) it was now recognised that there was no real conflict and, as a result, the American 'melting pot' concept had been abandoned in favour of each community being given the opportunity to express itself.

The most important practical manifestation of this is the annual festival of Divali Nagar (Village of Lights) which was presented first by the NCIC in 1986 and which has since blossomed into the biggest East Indian cultural event in the Caribbean region. Although a Hindu celebration, with an important spiritual context for the followers of that religion, its emphasis, as its name implies, is on community and brotherhood, and its organisers lay considerable stress on reaching out to share the experience with fellow islanders from other ethnic or religious backgrounds. The festival encompasses a wide range of events — performances of Indian dance, dramatic and musical productions, displays of art, sculpture, jewellery and fashion, and opportunities to sample the best of Indian cuisine. The NCIC was recently granted a lease on an area of land at Chaguanas in central Trinidad, which is to be the permanent festival site.

Postscript

It is clear from the foregoing that the people of Trinidad and Tobago know how to enjoy themselves. The multicultural setting in which they live seems to provide an ideal background for inventiveness and creativity on a large scale. For those who seek to determine the 'level of development' of a country, this is a factor which is seldom considered. But perhaps it should be, because it is clearly something which enhances the quality of life, and that presumably, is what development is all about in the final analysis.○

S.H.

Agricultural information — strategy for cooperation

by T.M. NARAIN and I.D. KHADAR *

Faced with the daunting and challenging task of serving 69 ACP states, CTA has from its origins sought to develop a regional strategy in the implementation of its activities. This was initiated in 1985 with the setting up of regional branch offices in the Caribbean and Pacific regions. Since 1991 CTA has sought to extend its regional policy to African states through an approach which follows the traditional pattern of dividing Africa into four regions and which is based on the assessment of agricultural information needs in the countries of these regions.

Through regional cooperation, CTA aims to foster the development by ACP states, at national and regional levels, of their own capacities for the production, purchase and exchange of technical and scientific information. CTA's regional approach is also aimed at improving the quality of services the centre provides to ACP countries. This may be achieved through the establishment of regional programmes as well as through improved coordination of existing activities. Regional Branch Offices are expected to be the key institutions on which CTA will depend to develop and implement this strategy. The establishment of RBOs may, however, be complex and CTA has had to adapt its strategy to each region.

Introduction

The Technical Centre for Agricultural and Rural Cooperation (CTA) was established under the second Lomé Convention, to 'provide African, Caribbean and Pacific states with better access to information on research, training and innovations in the spheres of agricultural and rural development and extension'. This decision underlines the importance of agriculture in the economies of ACP states and the recognition that scientific information can play a significant role in the agricultural development of these states.

Scientific information can be disseminated through various channels such as printed material, the electronic media, radio, audiovisual means and personal contacts. CTA adopted a diversified approach in channelling information to ACP users to ensure that these different channels are fully exploited for the benefit of ACP scientists and researchers, agricultural planners, extension workers, and agricultural information officers. Farmers benefit indirectly from the support provided by CTA to its target clientele.

The extent of diversification of CTA's services to ACP states is illustrated in its programme of information dissemination activities, which incorporates the holding of seminars, support for participation by ACP nationals in seminars organised by other organisations worldwide, organisation of study visits for small groups of ACP scientists and agricultural administrators, distribution of CD-ROM databases, distribution of reference books through the DORA scheme, publishing and distribution of scientific literature, support for rural radio programmes, and support for the production and distribution of audio-visual material. CTA also assists in the strengthening of the information and documentation centres of ACP institutions through the supply of computers and other relevant hardware necessary to run CD-ROM databases and through support for the training of information specialists.

From the outset CTA has recognised the need to pay very close attention to the information needs of its clientele. Various forms of contacts with users in ACP countries have been developed over the years to ensure that issues of high priority are covered by its programme of activities. CTA also relies heavily on its Question & Answer service to identify issues of common concern in the field of agricultural development in ACP states. However, a major component of CTA's strategy is its regional approach, which began in 1985 with the setting up of offices in the Caribbean and Pacific regions. Since 1991, the Centre has sought to extend this approach to Africa as well.

CTA's regional strategy in the six ACP regions (Caribbean, Pacific, Central Africa, West Africa, East Africa and Southern Africa) is briefly presented in the following sections.

Caribbean region: the Regional Branch Office at CARDI

CTA's Regional Branch Office in the Caribbean was established during its first year of activity in 1985. CTA's RBOs work from within existing regional organisations, and in the case of the Caribbean region the host organisation is the Caribbean Agricultural Rural Development Institute. CARDI has an office in each of its member states, which include twelve Caribbean member states of the ACP Group, i.e. Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St Christopher and Nevis, St Lucia, St Vincent and the Grenadines, and Trinidad and Tobago. The remaining three ACP countries in the region which are not covered by CARDI are Suriname, Haïti and the Dominican Republic. The national offices of CARDI are well placed to be able to assess the agricultural information needs of the respective countries in the region.

Working in close collaboration with CARDI, CTA has been able to undertake a number of successful regional agricultural information programmes in the Caribbean region, in particular in the training of rural radio presenters, documentalists and technical writers. In addition, CARDI distributes an impressive number of CTA publications to users within the region. CARDI also has access to CD-ROM databases and successfully operates a Question & Answer Service as well as a service on the Selective Dissemination of Information (SDI).

Pacific region: the Regional Branch Office at IRETA

As in the Caribbean region, the Regional Branch Office of CTA in the Pacific was established in 1985 and is based at a regional organisation, the

* Respectively Technical Adviser and Programme Coordinator at the CTA.

Institute for Research, Extension and Training in Agriculture. IRETA serves seven ACP states in the Pacific region, i.e. Fiji, Kiribati, Solomon Islands, Tonga, Tuvalu, Vanuatu and Western Samoa. The only ACP member state not covered by IRETA is Papua New Guinea which, nevertheless, participates in almost all of CTA's activities in the region.

IRETA is represented by an Agricultural Liaison Officer in each of its member states, which puts the Regional Branch Office in a strong position to assess the agricultural information needs of countries in the region. The RBO operates a Question and Answer service, and distributes CTA's and other publications. The RBO as well as the South Pacific Commission office in Fiji also operate a CD-ROM literature search service to facilitate access to a wide range of information on CD-ROM databases.

Working closely with CTA, IRETA regularly organises training workshops for librarians in the Pacific region. In addition, IRETA publishes with CTA's assistance, several periodicals to disseminate results of agricultural research and development. It also operates a video production and distribution centre for various agricultural programmes. The video catalogue now holds about 180 titles.

Central Africa: Regional Office at CEEAC, National Focal Points and the Regional Committee for Evaluation, Planning and Monitoring (CREPE)

In order to strengthen its regional activities in Africa, CTA launched a study in 1991 to assess the agricultural information needs of countries in Central Africa. The study, which was based on field visits to the countries concerned (Burundi, Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon, Rwanda, Sao Tome and Principe, and Zaire), was carried out by two African specialists from the region, i.e. from the 'Communauté Economique des Etats de l'Afrique Centrale (CEEAC) and the 'Institut de Recherche Agronomique et Zootechnique' (IRAZ). After assessing the needs of information users and suppliers, they studied Central Africa's resources and potential and drew up a list of points which should form the basis of an interinstitutional programme for the region.

With regard to agricultural documentation, they recommended the initiation of schemes to help the region set up databases on national literature, the establishment of national and regional agricultural information networks, the implementation of training programmes on agricultural information and measures to improve access to international databases and reference books.

In the field of agricultural research, they stressed the need to improve the circulation of information on priority research programmes and topics, to organise regular meetings of researchers in the region and to provide support for national and regional publications. The survey showed that radio programmes are one of the most effective ways of disseminating information on technological innovations to rural communities. It was recommended that rural radio services should be provided with training in the preparation of programmes and that information about regional rural radio broadcasts should be promoted through national and local newspapers.

With regard to extension activities, the recommendations included promoting exchanges of educational material, organising meetings between extension workers on a more regular basis, increasing the production of extension materials and improving the circulation of agricultural information among extension managers. In addition, training institutions should have greater access to the educational material needed to train extension workers.

The survey identified regional or national bodies capable of coordinating the programme at ground level, and recommended that CTA should develop its activities in the region in collaboration with CEEAC, the 'Union Douanière et Economique de l'Afrique Centrale' (UDEAC) and IRAZ.

In order to discuss these findings and to prepare a regional programme of activities, CTA, in collaboration with CEEAC and IRAZ, organised a workshop in Libreville, Gabon between 7 and 11 October 1991. The workshop brought together 42 experts from ACP countries and one from Europe, representing international, regional and national research, extension, training and information organisations. The participants emphasised that, as a first step, it was necessary to make an inventory of regional research programmes, assess the potential of existing training and extension facilities and draw up a list of available publications. Links should then be established or strengthened through workshops on specific topics; publications, research

Participants at a meeting of the Steering Committee on the study of West African information needs results and extension experiences should be exchanged through information networks; and a joint scientific journal should be launched. Proposals were put forward on improving scientific publishing and information processing and management. A programme monitoring committee, called the 'Comité Régional d'Evaluation, de Programmation et de Suivi des Activités' (CREPS Afrique Centrale) on which CTA, CEEAC, IRAZ and other regional organisations are represented, was set up.

'CREPS Afrique Centrale' met in Bujumbura, Burundi between 8 and 10 February 1993. A number of recommendations were made and are now being further reviewed by CTA for translation into concrete programmes of activities for the Central African region.

In addition to the activities of 'CREPS Afrique Centrale', it is also important to note that CEEAC has agreed to serve as CTA's Regional Branch Office in the Central African region. Through 'CREPS Afrique Centrale', contacts have been made in the member countries to promote the establishment of National Focal Points (NFPs) which will be expected to work with CTA and CEEAC. Although the primary role of an NFP is to ensure that national institutions obtain the maximum benefit from the facilities and services offered by CTA, NFPs are expected to assist CTA and the RBOs in the formulation and implementation of regional programmes. The 'Centre National d'Appui à la Recherche' has been designated by the Government of Chad as the country's NFP for CTA, while in Cameroon, negotiations are in progress to set up an NFP within the Ministry of Agriculture.

West Africa

The assessment of Central Africa's information needs was completed in 1991 and in 1992 attention focused on the West African region. This region incorporates sixteen ACP member states, i.e. Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo.

A survey of agricultural information needs in West African countries was carried out in cooperation with the Economic Community of West African States (ECOWAS), the West African Rice Development Association (WARDA) and the Institut du Sahel (INSAH). The objectives of the survey were similar to those of the Central African study. The national reports have been completed and returned to each country for comments by the appropriate national authorities.

The opening session of the CREPS/Central Africa session in Bujumbura. From left to right: Mr K.C. Mutati, CEEAC Secretary General; Mr L. Bararunyeretse, Burundi's Foreign Minister; 45Mr A. Mba, Director of CTA

A regional workshop to examine the recommendations of the survey reports has been planned for 1993. The workshop will bring together national, regional and international representatives who will review and finalise a programme of activities for the region. A monitoring and evaluation committee similar to 'CREPS Afrique Centrale' will also be set up and the issue of an RBO for West Africa and NFPs will be discussed.

East Africa

A study aimed at assessing the agricultural information needs of countries in the East African region was initiated by CTA in 1992, using the same approach as that adopted for the studies on the information needs of Central and West Africa. The countries involved are the Comores, Djibouti, Ethiopia, Kenya, Madagascar, Mauritius, Seychelles, Somalia, Sudan, Tanzania and Uganda.

A survey similar to those carried out in Central and West Africa is in progress in the East African region. National monographs which are being prepared by national experts will be reviewed by two regional experts and returned to the respective countries for comments by the appropriate national authorities. The regional experts will then draw up a draft programme of regional activities which will be discussed at a regional workshop planned to take place in December 1993.

Southern Africa

The exercise which CTA has initiated in the three other regions of Africa will be applied to this region starting in late 1993 or early 1994. The countries of the Southern African region are Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Zambia and Zimbabwe. CTA plans to work closely with the Southern Africa Centre for Cooperation in Agricultural Research (SACCAR), an organisation with which CTA has collaborated successfully on many occasions in the past.

Conclusion

CTA has now developed a regional strategy for the six regions which has as a common objective the establishment of Regional Branch Offices. In each region RBOs are assisted by suitable national institutions which may also serve as National Focal Points for CTA's national activities. RBOs should also, as in the case of the Central African region, be guided in their activities by a Regional Planning, Monitoring and Evaluation Committee.

RBOs in the Caribbean and Pacific regions have performed well. CTA's programme of activities in these regions has not undergone radical changes over the years, but has been adapted to reflect regional priorities. It is too soon to comment on the impact of RBOs on CTA's programme of activities in Africa. ○

T.M.N. & I.D.K.

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Aid to African Agriculture – Lessons from Two Decades of Donors' Experience – A World Bank Publication. Edited by Uma Lele. The John Hopkins University Press, 1992

This book is a compilation of articles written for the Managing Agricultural Development in Africa (MADIA) study. The study was carried out between 1984 and 1988 by the World Bank, donor agencies and governments (USAID, UKODA, SIDA, DANIDA, the EC, France, Germany) with the collaboration of the governments of the six African countries covered by the study (Kenya Malawi, Tanzania, Cameroon, Nigeria, Senegal).

One of the ideas behind it was to draw up a general report on agricultural problems in Africa through a country-by-country analysis. Its aim was 'to determine the sources of agricultural growth (...) the extent to which domestic policies, the external economic environment, and donor assistance contributed to this growth, the effect of the growth on incomes, employment and consumption and the potential sources of economic growth'. The major factor which influenced donors to participate in the study was their concern about the effectiveness of their assistance to Africa.

In separate chapters, each of the donor agencies gives an overview of its aid policies, a description of aid assistance in various countries, an assessment of performance, and the conclusions to be drawn from their experience. Although technical, the articles all contain a wealth of background information, detailed descriptions of the projects themselves and comprehensive assessments of the negative and positive factors which influenced project performance. The reports have been drawn up within a similarly structured framework to allow greater comparability between chapters.

Throughout the book, emphasis is placed on the importance to developing economies of a broad base in agriculture, smallholder development and adequate institutional and human capacities. The findings would seem to call for greater recognition of the driving role of agriculture in the economy and, as such, the need to back the sector with, inter alia, sound long-term strategies, a well-thought out balance between investment choices (especially as regards food and export crop production), and a stronger human and institutional capacity to accelerate growth, encourage private initiative and allow greater participation in formulating, implementing and pursuing development policies.

The chapter on EC aid focuses on assistance to Cameroon, Senegal and Tanzania in groundnut/cotton, palm oil, and coffee production respectively. It also looks at EC-funded integrated rural development in Cameroon and Tanzania, small-scale projects, food aid, and STABEX. Some of the observations made with regard to the EC experience include the complementarity of food and export crop production, the need for price stability in high-cost irrigation schemes and the direct benefits that small-scale projects offer local communities, such as their ability to generate greater local initiative.

Using the findings of the different participants, the book also puts forward a global definition of the role of donor agencies in promoting agricultural growth by pinpointing the areas in which they can use their know-how — and more particularly their money — to the best advantage. A symposium on the MADIA study was held in 1989, bringing together senior African and donor policymakers who recommended 'the implementation of many of the study's valuable lessons' and a continuing of its 'consultative, non-ideological approach to analysis to ensure that donors and governments reach a consensus on the ways and means to spur broadly based agricultural growth in Africa'.

There is no doubt that the book constitutes a significant contribution to development planning both as a set of guidelines and as an information reference to be used by the donors themselves and by national decision-makers in their dealings with them. The book is an evaluation by donors of their experience. However, it is not strictly speaking 'their' experience. It is equally — if not more so — the development experience of the countries with which they have been involved. This in itself points to the need for a greater effort to encourage recipient countries to carry out independent research and analyses of development, including their assessment of the extent to which donor action has contributed or not contributed to development, the policies it has been based on and the methods used to implement it. Finally, recipient countries need more opportunities to carry out studies like these where they formulate and expound their development philosophies, exercise creativity, and define the role they feel should be theirs in determining what — when all is said and done — their fate and future are to be.○ Nancy KACHINGWE

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Michel Albert — **Capitalisme contre capitalisme (Capitalism versus capitalism)** — Editions du Seuil, 27 rue Jacob, Paris VI — 318 pages — FF 120 — Bfrs 841 — 1991

This is one of Edition du Seuil's 'immediate history' series and aptly so, for it is an up-to-the-minute discussion by one of the European economic personalities best qualified to analyse the rapidly-moving trends of the modern world. Michel Albert is a 'youthful' commentator in his sixties, sharp, enthusiastic and anxious to win over his readers. He was once Commissioner-General for Planning, he became, *inter alia*, Chairman of Assurances Générales de France and, for the past 20 years, he has been turning out educational pieces on economic and social affairs, with the cooperation of leading political figures and renowned journalists.

The capitalist-communist-third world trilogy which dominated the post-war world is a thing of the past, Albert maintains. It was a simple-minded form of classification because, clearly, there are several Third Worlds and they are all at different stages of development. Capitalism has crushed communism, he says, and there is no call now to talk about two sides, with the developed and rapidly developing countries, capitalists all, lined up against the under-developed countries, the poor ones.

The situation would be satisfactory, intellectually at least, if triumphant capitalism, whose mainspring is competition, had not done away with all its competitors — hence the title of the book. For now we have two models of capitalism, neo-American capitalism and Rhineland capitalism, which are 'of comparable importance', and it is not clear which one will win the day. The former is based on individual success, short-term financial gain and the promotion of these through the media while the latter, found mainly in Northern Europe and, with variations, in Japan, relies on collective success, social consensus and the long term.

The past 200 years, Albert says in conclusion, have seen three phases of capitalism — capitalism versus the State in the 1790s, capitalism backed by the State in the 1890s and capitalism instead of the State now, in the 1990s. So what we have to do is continue with the construction of the working model of Europe which we have with the EC and turn it into a United States of Europe. 'It is everybody's business. For all of us, tomorrow has to be decided today'.

This book simplifies the issue, but it is easy to understand, full of practical examples and well worth reading.○

Alain LACROIX

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'Third World Debt; how sustainable are current strategies and solutions?': ed. Helen O'NEILL: 143 p.p.: Frank Cass & Co. Ltd., Gainsborough House, 11 Gainsborough Road, London E11 1RS.

The range of opinions contained in this selection of papers by members of the European Association of Development Research and Training Institutes represent an attempt, by contrast with previous works on this subject, to focus on the particular problems of low-income countries i.e. sub-Saharan Africa. Even so, presumably because of a paucity of ACP field-research material, the majority of the case studies examined are of non-ACP countries.

Nonetheless, the basic concepts and theoretical models set out are fully applicable to the ACP case. Moreover, the rigour with which the models and cases are examined, made, at least for this reader, a welcome change from much of the vague verbiage which has surrounded this subject.

The starting point for this work was the clear impression that many, if not most, of the measures taken during the 1980s had as their real objective the preservation of the value of commercial debt, so as to ensure the stability of the global banking system. The fear which that motive bespoke is no longer as great and has indeed been to some degree replaced by a concern about economic stagnation (or worse).

Fortunately the world has turned somewhat since most of these papers were drafted; the 'moral hazard' of debt forgiveness is now understood as less critical, so that measures to reduce the overall amount of debt, rather than merely to reschedule repayments over a longer period, are in hand. The initial results of the Brady plan, which is built around such measures, are encouraging and large-scale debt write-offs by commercial banks have happened without causing their collapse.

Nonetheless, whilst such measures are extremely welcome, they still have only a limited effect in the short term; outstanding debt problems are still such that, for many observers, even the most optimistic scenario will only allow just sufficent improvement to the present situation to permit the debtor countries as a whole to meet the interest payments due, not enough to repay the principal debt.

Perhaps the most problematic area in this field remains the inability to reschedule debts owed to the multilateral institutions, notably IMF and IDA, by reason of the latters' statutes. This fixity has resulted in bizarre situations such as that in 1986 and 1987 when those institutions were net *recipients* of funds from the Third World, rather than supplying capital desperately needed for development. ○ A.B.

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Eric Fottorino, Christophe Guillemin and Erik Orsenna – **Besoins d'Afrique (What Africa needs)** – Librairie Fayard, 75 rue des Saints Pères, 75006 Paris – 348 pages – FF110, Bfrs 760 – 1992

The three authors studied political science in Paris. One of them is now a journalist with Le Monde, one is an economist and a director of UNIDO, the UN's Industrial Development Organisation, and one is a novelist (Prix Goncourt 1988) and a top civil servant. Between them, they have written an original book which should appeal to a wide audience.

Read it a little at a time, for it contains much factual information and many a worthwhile thought. Skip through it and take out snippets as you like. Although it is set out in three parts (Vitality, For Information and Heritage), each part with a section on great signs, a happy and lively innovation, it is really a series of short, incisive pieces on a variety of subjects relating to Africa, its people and its prospects.

But it is realistic. There is no attempt to hide the major problems of our time. Must the continent 'inevitably dismay us with its accumulation of calamities, from deforestation to AIDS though dilapidated infrastructure, corruption, migratory pressure, advancing epidemics, guerilla warfare and expanding cities with all their violence and death?' it asks. It comments interestingly on the State as predator, economies being less State-ridden than the State is privatised. 'If the public sector has to be privatised, then the State has to be nationalised'. And it makes very clear that 'Africa has a fatal disease — living off unearned income. People think hiving off is better than producing'.

Is this book an indictment? Is it pessimistic? Certainly not, for the authors love Africa, praise the spirit of solidarity which other societies so conspicuously lack and have confidence in its future. 'Africa is a genius at hybridisation and mixing and cross-breeding. It will never give itself up entirely to the foreigner. It fits time-honoured recipes of its own into menus from abroad, be they offered or enforced, adding magic to Marxism and animism to Christianity'. This quotation from very near the end of the book betrays the humour that is there throughout. And the Africans need humour, for humour helps. ○ A.L.

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Vincent FALLY – **Le Grand-Duché de Luxembourg et la construction européenne (The Grand Duchy of Luxembourg and European integration). Foreword by Jacques Santer** – publ. Editions Saint-Paul, 5, rue Christophe Plantin, L-2339 Luxembourg-Gasperich – 2 volumes – 1992

The interest this important book has aroused can be gauged from the fact that it received financial support from the Luxembourg Prime Minister's Office and was published under the patronage of the Institut d'Europe Luxembourg and the Fondation du Mérite Européen, both establishments officially recognised as serving the public interest.

However, as the author points out in a brief and over-modest introduction, the book sets out only to be a descriptive work. But even though it is indeed a recital of events, it covers the last 70 years and, as the Prime Minister emphasises in a foreword he has contributed, 'Vincent Fally's book is an exhaustive study of the part Luxembourg has played in European integration from the end of the First World War to Luxembourg's presidency of the European Communities, which culminated in the holding of the European Summit in Luxembourg on 28 and 29 June 1991'.

Luxembourg was the seat of the first European Community, the Coal and Steel Community, as well as being a founder-member of the European Economic Community, and its commitment to Europe has never wavered. It has played a part far outstripping its geographical size, the size of its population or its — albeit considerable — economic and financial importance. Thanks to men and women of high standing in European affairs — such people as Pierre Werner, Gaston Thorn and Jacques Santer — an approach combining pragmatism and a forward-looking attitude to the future has always typified its effective work on behalf of European integration.

In the course of ten chapters, Vincent Fally takes his readers by the hand from the First World War to the Treaty of Maastricht, giving a full account of the important part his country has played in the building of Europe. He writes with great clarity backed up by excellent documentation. Each chapter ends with a summary giving the nub of its content, shorn of inessential detail.

The closing paragraph of the two volumes offers much food for thought. It reads: 'Drive, hard work and flexibility are the order of the day — there is no escaping the fact. History has no time for the timid and the spineless.' ○ A.L.

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More 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:

— 24 February 1993

St Vincent & Grenadines: 7th EDF grant of ECU 3 200 000 for land redevelopment at Mount Wynne and Peter's Hope

Papua-New Guinea: 7th EDF grant of ECU 8 500 000 for the third structural adjustment support programme

Comoros, Madagascar, Mauritius, Seychelles and Reunion: Grant of ECU 6 239 000 (ECU 4 739 000 from the 6th EDF and ECU 1 500 000 from the 7th EDF) for a regional tourist development programme in the countries of the Indian Ocean Commission.

Comoros, Madagascar, Mauritius and Seychelles: 7th EDF grant of ECU 11 000 000 to support environmental programmes in the countries of the Indian Ocean Commission

Niger: 7th EDF grant of ECU 15 000 000 for a sectoral import programme (medicines and input for the system of production)

— 4 March 1993

Namibia: 7th EDF grant of ECU 40 000 000 (Sysmin) for a programme to support the country's mining sector

— 9 March 1993

Côte d'Ivoire: 7th EDF grant of ECU 1 275 000 to support the cooperative movement

— 23 March 1993

Mozambique: 7th EDF grant of ECU 3 000 000, emergency aid as a contribution to humanitarian relief programmes for victims of the fighting and malnutrition

— 29 March 1993

New Caledonia: 5th EDF loan of ECU 700 000 to improve the Magenta Aerodrome (phase II – construction of the SSIS building)

Barbados: 7th EDF grant of ECU 2 750 000 for Barbados' reception institute

Dominican Republic: 7th EDF grant of ECU 8 800 000 for an integrated health programme in the south west

Grenada: 7th EDF grant of ECU 2 000 000 from the structural adjustment resources to support the structural adjustment programme (general import programme)

Mauritania: 7th EDF grant of ECU 18 000 000 from the structural adjustment resources to support the structural adjustment programme

Mauritania: Grant of ECU 1 793 787 from the 5th EDF national indicative programme and remainders of the 3rd-5th funds, plus ECU 3 017 765.73 from the 6th EDF national indicative programme and remainders of the 4th-6th funds, plus 7th EDF grant of ECU 2 538 447.11 to rehabilitate hospitals in Nouakchott and Aloun

Guinea: 7th EDF grant of ECU 20 000 000 to raise the standard of living in the interior

Kenya: 7th EDF grant of ECU 4 000 000 for elephant protection and the community wild animal programme

Dominican Republic: 7th EDF grant of ECU 7 000 000 for an integrated local primary school development programme

— 16 April 1993

Gambia: 7th EDF grant of ECU 960 000 for the promotion of tourism

Seychelles: 7th EDF grant of ECU 250 000 for a line of credit for small firms

Namibia: 7th EDF grant of ECU 500 000 for abacus educational supplement

Namibia: 7th EDF grant of ECU 1 800 000 for upgrading and rehabilitation of primary school physical facilities in rural areas

Kenya: 7th EDF grant of ECU 1 990 000 for revival and development of the Swahili culture

FOOD AID

The Commission has taken the following decisions to provide food aid from the European Community budget resources:

— 10 March 1993

UNHCR: 3808 t milkpowder and ECU 5 000 000-worth of pulses

WFP (Protracted Refugees Operations): 180 000 t cereals, 1000 t milkpowder, 5500 t sugar, 7500 t vegetable oil and ECU 8 000 000-worth of pulse

WFP (International Emergencies Food Reserve): 50 000 t cereals, 1000 t milkpowder, 5000 t vegetable oil and ECU 200 000-worth of pulses

WFP (Regular normal programme): 110 000 t cereals, 10 000 t milkpowder, 5500 t vegetable oil and ECU 3 000 000-worth of pulses

EURONAID: (Cofinancing) Food products, seed and tools worth ECU 2 500 000

EUROPEAN COMMUNITY

Eastern Germany receives the first loan under the 'Edinburgh facility'

The European Investment Bank's first financing under the ECU 5 billion Edinburgh Facility is going to Deutsche Bundespost. The DM 300 million loan (ECU 153.4m) is for the expansion of telephone networks in six East German cities and will help finance the connection, via digital exchange equipment, of a total of 250 000 new subscribers in Dresden, Gera, Halle, Leipzig, Magdeburg and Rostock.

This is one of fourteen capital investment projects for which the EIB's Board of Directors recently approved loans totalling almost ECU 1 billion under the Edinburgh Facility established to promote economic recovery in Europe in the wake of the conclusions of the European Council meeting held in Edinburgh on 11 and 12 December 1992.

The loan for the East German telecoms brings total EIB lending in the five new German Länder since the beginning of 1993 to nearly DM 1 billion. EIB lending in eastern Germany in 1992 totalled DM 1.4 billion, of which DM 733m went to seven major projects and DM 702m, provided through global loans, to 369 smaller scale industrial, tourism and environmental schemes.

EUROPEAN POLITICAL COOPERATION

The Foreign Affairs Ministers of the Member States of the European Community have issued the following statements on the dates indicated:

2 March: Statement on combatting narco-terrorism – Colombia

The European Community and its Member States express their shock at and rejection of recent terrorist attacks in Colombia, and their sympathy for the families of the victims. They wish to record their solidarity with the Colombian Government and the Colombian people in their fight against narco-terrorism.

The European Community and its Member States condemn the illicit production, processing and trafficking of drugs, and the violence so often associated with it. The illicit drugs trade damages innocent individuals and undermines democracy and the rule of law.

12 March: Statement on Burma

The Community and its Member States welcome the adoption on March 10, 1993, by the United Nations Commission on Human Rights (UNHCR) of the consensus resolution on the human rights situation in Burma (Myanmar), which was co-sponsored by the Community and its Member States.

The Community and its Member States especially urge the Government of Burma (Myanmar) to release immediately and unconditionally the Nobel Peace laureate Daw Aung San Suu Kyi, detained without trial for the last four years, as well as other detained political leaders and all political prisoners excluded from the preparation of the new constitution.

They urge the Government of Burma (Myanmar) to accelerate the process towards democracy by allowing all citizens to participate freely in the political process, in particular through convening the Parliament elected in May 1990, and restore full respect for human rights and fundamental freedoms.

The Community and its Member States attach strong importance to the international consensus shown by the adoption of the resolution and strongly urge the Government of Burma (Myanmar) as a member of the United Nations and signatory to the United Nations human rights instruments to fulfil its obligations under these instruments.

15 March: Presidential election on Madagascar

The Community and its Member States warmly welcome the respect for democracy shown during the Presidential election by the two candidates and the Malagasy people. They hope very much that the development of democracy in Madagascar will continue in the same spirit and would urge all parties concerned to achieve this objective by peaceful means.

24 March: Statement on the situation in Malawi

The Community and its Member States welcome the recent encouraging signs of improvements in Malawi regarding political freedom and respect for human rights and urge the government to continue the democratisation process. They note the decision of the President to reschedule the referendum on the maintenance or rejection of the single party system until 14 June 1993 in accordance with the recommendation of the United Nations. The Community and its Member States hold the firm view that whatever political framework emerges it should safeguard all rights enshrined in international conventions.

It is of fundamental importance that the referendum should be declared free and fair. To allow for this the referendum must be prepared and conducted properly in accordance with international standards. An important part of the preparations is the existence of conditions which allow all parties, including those advocating multi-party democracy, to conduct campaigns prior to the referendum. The presence of international observers during the registration phase as well as during the referendum itself will contribute to the general acceptability of the result.

The structure of the Referendum Commission and its independence will be of crucial importance. As soon as satisfactory agreement on this is reached the Community and its Member States will be prepared to send observers to monitor the registration process and subsequently to consider sending observers to monitor the referendum.

The European Community and its Member States reiterate their continued interest in economic and political progress in Malawi and earnestly hope that the referendum, together with the pursuit of appropriate human rights and economic policies, will lead to conditions for a resumption of a full aid partnership with donors.

26 March: Statement on Bosnia-Herzegovina

The Community and its Member States warmly commend the decision of the Bosnian government to sign the Vance/Owen Peace Plan. They reiterate their unequivocal support for the plan and pay tribute to the valuable efforts of the two co-chairmen.

They also welcome the agreement between the Muslim and Croat parties on the interim arrangements which form an important part of the peace package.

They hope the Security Council of the United Nations will endorse the Vance/Owen Peace Plan, and they express their readiness to contribute substantially to its implementation.

The Community and its Member States demand that the Serb side now accept the plan in its entirety and cooperate fully in all aspects of its implementation. The Serbs must stop all aggressions at once, preparing the way for the cessation of hostilities by all sides.

If the Bosnian Serbs refuse to accept the plan now, full international pressure will be brought to bear on them. The Community and its Member States will continue strengthening sanctions and will consider further measures leading to the total isolation of Serbia-Montenegro.

30 March: Statement on South Africa

In spite of the general downward trend of violence since the beginning of 1993 the wave of violence has continued in certain areas of Natal and Transvaal culminating in a recent series of senseless murders of children and other innocent victims.

The Community and its Member States express their abhorrence and condemnation of these crimes and appeal to all parties engaged in the effort to reach a negotiated settlement for a future political dispensation in South Africa to do their utmost to bring the violence to an end and to renounce violence in all its forms.

In this connection the Community and its Member States have taken due note inter alia of the Goldstone Commission's report of March 15, 1993 by the Committee conducting a preliminary investigation into the activities of the Azanian People's Liberation Army (APLA) as well as of the Commission's recommendations addressed to the international community.

The Community and its Member States have in many ways demonstrated their support for the peace-process in South Africa in particular through the deployment of the European Community Observer Mission in South Africa (ECOMSA). Together with the missions of the United Nations, the OAU and the Commonwealth, ECOMSA has the mandate to observe the situation on the ground in areas most affected by violence and to facilitate dialogue between the relevant parties in order to defuse potential situations of conflict when needed.

The Community and its Member States urge all parties to support the international observer missions in fulfilling their tasks and stress the importance of allowing the international observer missions free access to all parts of South Africa, including the so-called homelands.

They renew their call to all parties to sign the National Peace Accord and to participate in the peace structures. They welcome the forthcoming resumption of multiparty negotiations and urge all parties who have not yet done so to commit themselves to a speedy and peaceful transition to democratic, non-racial, and united South Africa.

5 April: Statement on Surinam

The European Community and its Member States are seriously concerned at recent developments in Surinam in connection with the appointment by the Surinamese government of a new commander of the armed forces. They reiterate their full support for the President of the Republic of Surinam, Dr R.R. Venetiaan, and his government and recall that subordination of the armed forces to civil authority is of prime importance for the strengthening and consolidation of democracy and the rule of law.

The European Community and its Member States strongly urge all those concerned fully to respect these principles. Any infringement of these principles could not but have negative consequences for the cooperation between the European Community and Surinam.

7 April: Statement on Zaire

The Community and its Member States are unable, in the context of their relations with Zaire, to acknowledge the appointment as Prime Minister of Mr Faustin Birindwa by Presidential order on the proposal of the political Conclave consisting solely of the President's men, without the approval of the High Council of the Republic and consequently without this move forming part of the process of transition defined by the Sovereign National Conference.

Such a Government cannot therefore enjoy the cooperation of the Community and its Member States, which have agreed inter alia to impose an embargo on arms sales and a policy restricting the granting of visas. The Community and its Member States have also been informed of the adoption by the former National Assembly of a so-called 'harmonised' transitional act. The Community and its Member States are unable for their part to acknowledge this harmonised transitional act and its adoption by the National Assembly, since such moves are in violation of the process of democratic transition which the Community and its Member States continue to support.

The Community and its Member States reaffirm their support for the President of the High Council of the Republic and his efforts to make possible a smooth transition to the holding of free and democratic elections.

11 April: Statement on the assassination of Chris Hani in South Africa

The European Community and its Member States strongly condemn the assassination of Chris Hani yesterday. They extend their deep felt condolences to Mr Hani's wife and family.

It is indeed tragic that Chris Hani who has been appealing for an end to violence and a return to peace should himself die from the bullets of an assassin. A full and thorough investigation of the murder is called for. The European Community and its Member States stand ready to help in any way it can, e.g. through its observers already in South Africa or its experts to the Goldstone Commission.

While fully understanding the grief of many South Africans over the loss of Chris Hani, the European Community and its Member States appeal for calm and restraint in this difficult situation. Those elements wanting to prevent a speedy and peaceful transition to a democratic, non-racial and united South Africa must not be allowed to succeed. The European Community and its Member States therefore renew their call to all parties engaged in the multi-party negotiations to redouble their efforts to reach a negotiated settlement, to do their utmost to bring the violence to an end and to renounce violence in all its forms.

14 April: Statement on Malawi

The Community and its Member States have noted with satisfaction that the government of Malawi and other parties, including those advocating multi-party democracy, have reached an agreement on April 6, 1993 on the composition of the Referendum Commission. The Community and its Member States have therefore decided to send a joint EC Observer Mission to monitor the voter registration process within the common framework established by the UN.

GENERAL INFORMATION

Members of House of Lords visit the Commission

Four members of the British House of Lords' Select Committee on External Relations – Lords Hunt, Boardman, Shepperd and Bonham-Carter, visited the Commission's Directorate-General for Development on 17 March 1993. They were received by the Deputy Director-General, Mr Peter Pooley and other officials. Present also was Mr Oursin of the European Investment Bank.

The aim of the visit was to learn how EC development cooperation works in practice, the division of responsibilities between the Commission and Member States, and how best complimentarity and coordination can be achieved at both national and Community levels in order o have 'value for money'.

NGOs

19th General Assembly of European Developments NGOs

The 19th General Assembly of European non-governmental organisations involved with development (development NGOs) was held in Brussels from 14 to 16 April. The opening session was addressed by Maria Luisa Cassanmagnago-Cerretti, co-President of the ACP-EEC Joint Assembly; Francisco Granell, Director in the Commission's Directorate-General for Development; Guido Dumon, President of the General Assembly of European NGOs; and Alfred Sawadogo, UNDP's project coordinator for African NGOs in Lomé. European development policy was the keynote theme.

The meeting, which was attended by more than 100 development NGOs from the 12 Community Member States, representing a network of some 700 NGOs, as well a considerable number of European observers and representatives of organisations from countries of the South, was an opportunity to look at that policy in greater detail.

Development NGOs, together with the Commission, the European Parliament and the Council of Ministers, are among the agencies in Europe prominent in efforts to formulate a genuine common development policy. The European Community's shared involvement in the solidarity expressed by Europe's citizens with the most disadvantaged peoples of the Third World is embodied in the cooperation between development NGOs and the Community which first began 18 years ago. This includes the co-financing of development activities in the developing countries, awareness-raising measures targeted at European public opinion, food aid, emergency assistance and support for inter-NGO coordination, which is important in enhancing the effectiveness of their work.

The central theme of the General Assembly was chosen quite deliberately to reflect the commitment and endeavours of the European institutions to redefine the Community's development policy in the run-up to the year 2000. Indeed, the meeting was an opportunity for debating the 'Horizon 2000' report and the discussion paper on 'European Development Policy: a non-Governmental Perspective' drawn up by the Liaison Committee of development NGOs.

To make the General Assembly of development NGOs an occasion for more thorough-going dialogue between NGOs and the representatives of the Community institutions, four workshops were set up. These looked respectively at action to alleviate poverty; sustainable development; human rights, democracy and development; and migration. A number of reports were drawn up and discussed in the plenary sessions.

The Assembly also discussed and approved the Liaison Committee's 1992-93 report, the policy priorities for 1993-94 (which include issues arising out of the 1993 Assembly, contributing to emergency aid, and rehabilitation in Africa) and the various recommendations put forward by the various national development NGO fora, particularly as regards the main problems facing developing countries and the role of development NGOs.

From l. to r.: Mr Ryelandt (CEC), Mr Granell (CEC), Mr Dumon (President of the NGO's General Assembly), Mr Mackie (Liaison Committee), Mr Sawadogo (UNDP project coordinator for African NGOs) and Mrs Cassanmagnago Cerretti (Co-President of the Joint Assembly)

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PARTNERSHIP

Privatisation of enterprises in ACP countries

PRACTICAL ISSUES AND CDI'S FACILITIES TO ASSIST (*)


The large textile mill Mountex in Kenya is an example of a majority state-owned company which currently is in a restructuring process under management contract before full privatisation (see p.4).

CONTENTS

Privatisation of state-owned enterprises (SOEs) generally follows the overall rationale of market economies with a view to economic growth and higher efficiency under increased competition and private initiative. Given the unsatisfactory performance of SOEs, state divestiture has recently taken a high rank on the agenda of many ACP governments due to public budget deficits, stringent requirements of international donor agencies and restrictions on foreign funding.

Whereas economic efficiency improvement is clearly the primary objective, the generation of fiscal revenues from the sale of SOEs might well be another motivation. Several more - and sometimes conflicting - objectives enter the scene when the perspective of the real players, i.e politicians, managers of SOEs, civil servants, labour representatives, international donors, local and foreign investors, are taken into account, to whom efficiency gains might not always be of prime interest. Hence government divestiture of badly performing SOEs is a complex affair and this is often evidenced by a substantial gap between rhetoric and reality.

Three basic questions

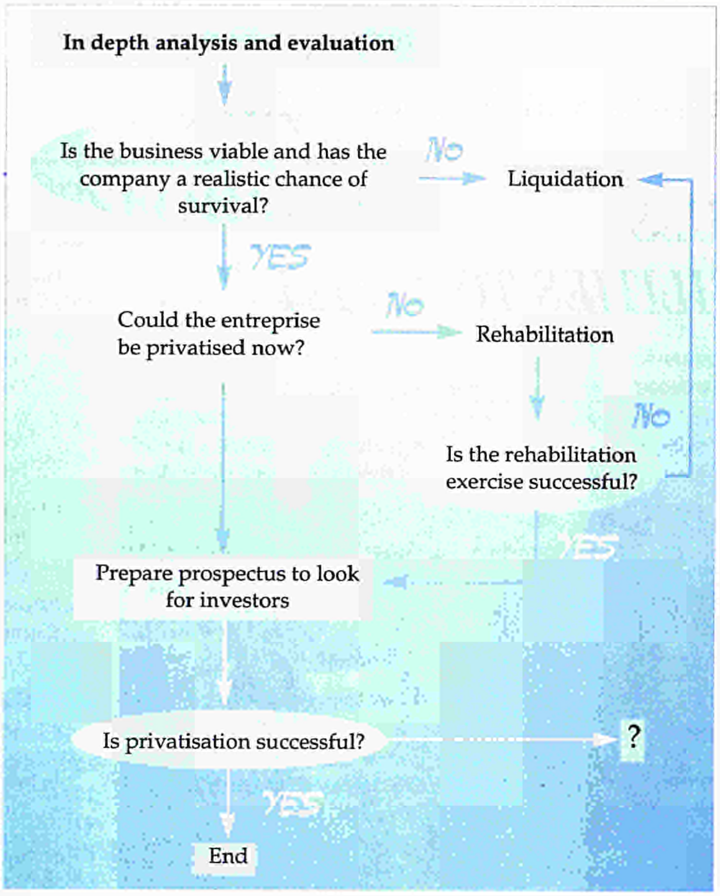
Yet, it is not the intention here to enter this general debate but rather to take as fact the resolve towards privatisation as it exists in several ACP countries. On this basis, the practical issues will be highlighted in this dossier under the following three questions faced by governments with regard to privatisation :

- *Which enterprises should be privatised ?*
- *At what price should they be sold ?*
- *To whom should they be sold ?*

Some concrete examples of privatisation involving various forms of CDI assistance shall be related. Given CDI's scope and functions, the consideration will be limited to productive enterprises in the industrial sector.

(*) This article was written by Dr. Eckhard Hinzen, Head of Economic & Financial Studies Section, CDI.

Typical decision flow for SOE privatisation



1. Which enterprises to privatise ?

In their priority ranking with respect to SOEs to be sold, governments are often led by the preoccupation to relieve the public budget from cash drains and therefore wish to privatise first the enterprises which have accumulated heavy losses and demand substantial subsidies. Though understandable, this approach is hardly feasible and even counter-productive to the overall dynamics of privatisation. The basic structure, market environment and prospects of an enterprise must be promising in order to attract private buyers. Keeping in mind the main expected thrust of privatisation to come from efficiency gains under competitive market conditions, this should be obvious.

Hence governments would be well advised in ranking SOEs with relatively good prospects first, also in order to create demonstration cases of successful privatisation. As for many SOEs the evaluation of turn-around prospects under private ownership and management are not easy to determine by governments, a fairly straight-forward approach can be recommended, based upon cases recently assisted by CDI.

A proposed portfolio of SOEs can be grouped by industrial subsector (e.g textile, food, metal industry) and analysed by specialist consultants able to judge the likely perspective and thus possible interest to be obtained from private investors.

For SOEs whose prospects are clearly marginal or even negative from a conventional analyst's point of view a last resort might be in testing possible investors' interests by inviting a target group of companies for short direct inspection and appraisal on the spot. Here CDI can help with its network of contacts to identify appropriate companies in relevant sections of industry and if necessary by contributing to the entrepreneurs' missions. This approach presupposes that exceptional efficiency gains could be derived from integration into a larger diversified international enterprise. Where this approach fails liquidation might well be left as the last option.

2. At what price to sell ?

ACP authorities dealing with privatisation attach considerable importance to the valuation of SOEs before entering into any contacts with prospective buyers. Although this attitude shows concern for the safeguard of adequate state revenue it ignores to some extent the more important aspect of future earnings potential and dynamic impact of an enterprise for the national economy.

In fact, valuation of SOEs turns out to be a very complex problem where no market value of shares is available for reference (in the absence of stock markets), where often the equity of enterprises is completely eroded due to accumulated losses or where balance sheets do not represent true values due to historical valuation and distortion over time. A pragmatic approach to determining a reference value for governments entering negotiations is rather the valuation of assets by physical inspection, with remaining life time estimates and reference to current replacement value.

However, it must be noted that values derived in this manner can at best provide broad guidance as on the one hand, they might be well above the realizable proceeds in case of liquidation, but on the other hand below the future earnings potential under private ownership and efficient management.

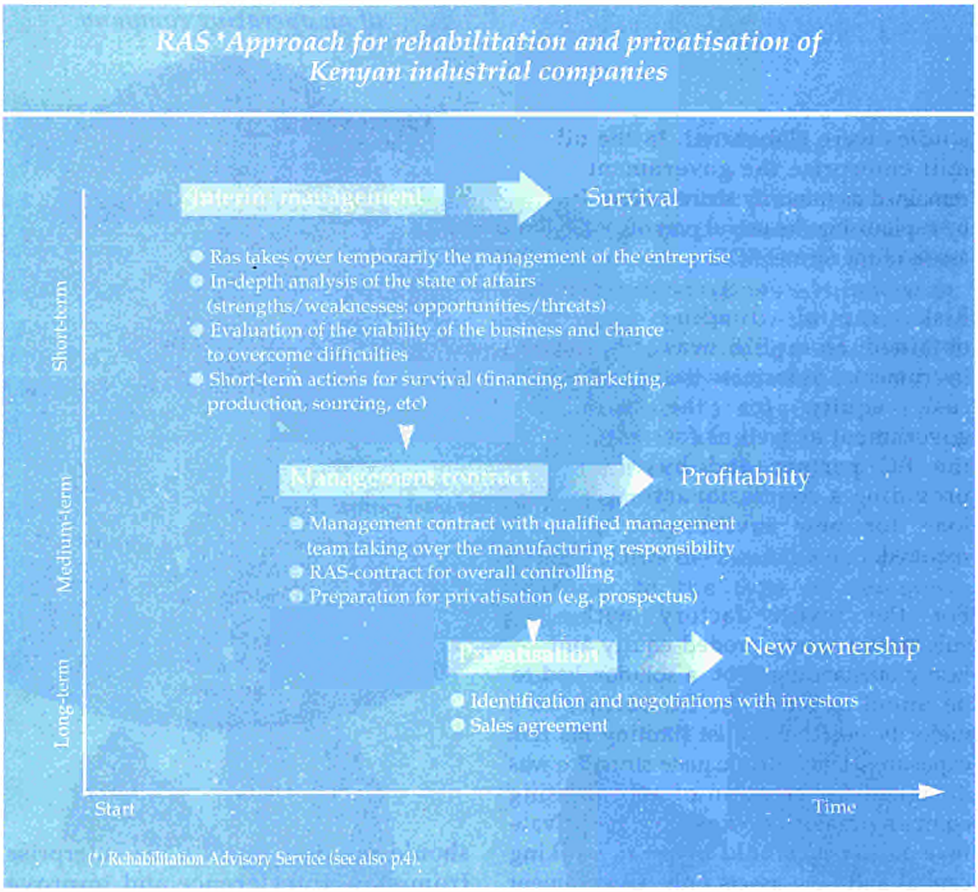
In several cases CDI responded to ACP government requests in this respect by offering specialized expert assistance. The valuation exercise typically combined several methods, ranging from the assessment of asset value assuming liquidation, estimate of current replacement value to the more complex concept of discounted future earnings.

The latter which implies the conduct of a full feasibility study is certainly the most adequate with a view to continued operation of the enterprise but also the most demanding. Often such valuations evidenced that assets needed to be offered at a considerable discount from theoretical replacement value in order to attract prospective buyers.

Furthermore, requirements were prompted with regard to clearing outstanding liabilities and liberating the enterprise from state-imposed distortions and restrictions.

3. Selling to whom ?

The question to whom SOEs should be sold usually refers to the distinction of national or foreign investors and to different ethnic groups in the national economy. Whilst the socio-political concern is evident it sometimes masks the real issue. ACP governments should realise that there is strong competition for attracting international investment and privatisation of ACP enterprises is not usually situated in a sellers market.



It should be recognised that under circumstances where little foreign direct investment is forthcoming in the private sphere, inviting investors to take over SOEs is generally even less promising. On the other hand the limited potential of national financial and entrepreneurial capacity does not leave much choice. Hence the realistic focus should be on development of domestic industry rather than on national shareholders. Moreover the record of takeover by local management, workers or cooperatives is generally not very impressive.

4. Conditions for transfer and further operation

There are multiple methods for privatisation whose application depends mostly on the financial and commercial situation of each SOE and to some extent on general conditions in the country concerned. The standard methods are :

- public offering of shares
- private sale of shares
- sale of assets
- management/employee buy-out
- management contract
- leasing

The public offering of shares is the rare exception in ACP countries as only few stock markets do exist. Private sale of shares was practiced in some countries (e.g. Côte d'Ivoire, Guinea, Niger) in a first round of privatisation, but obviously such sale "as a going concern" pre-supposes that enterprises to some extent are functioning and have relatively sound balance sheets.

Many times, however, the latter conditions are not fulfilled and privatisation requires that governments take care of outstanding liabilities in order to sell the assets unencumbered. The sale of assets often has to be restricted to viable parts of the enterprise (fragmentation) and/or needs additional private investment in order to allow future viable operation.

Clearly the last mentioned methods, which need to be accompanied by financial restructuring and mobilisation of new investment, are the more frequently required as many SOEs are in dramatic conditions. Typically privatisations under these conditions are rather complicated and need considerable preparation and assistance. CDI's recent involvement in several privatisation projects gives some evidence of this and it shows that not only governments need assistance in preparing privatisations but also the new private operators need support and accompanying measures in order to succeed.

SOME EXAMPLES WITH CDI INVOLVEMENT

Angola

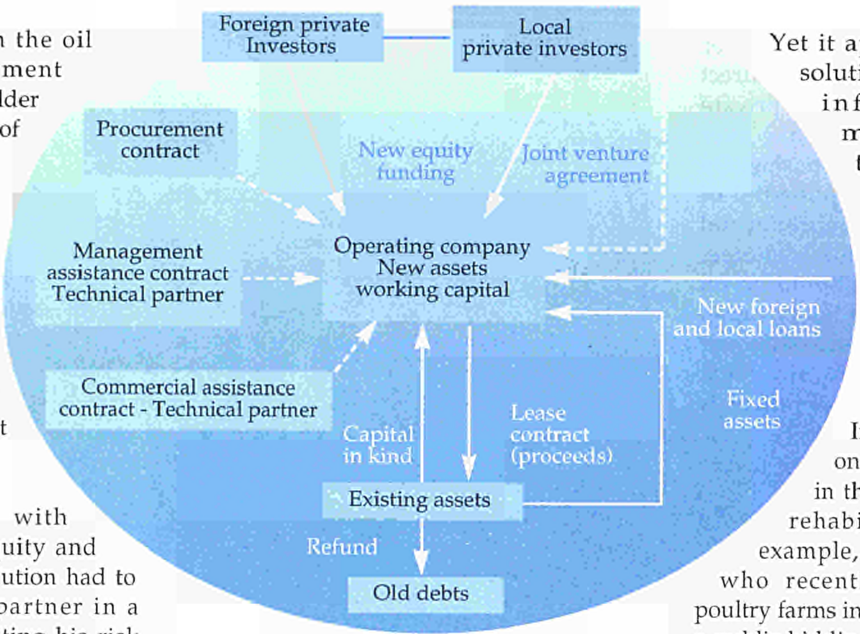
Angolan authorities requested CDI's assistance for a number of SOEs to be evaluated by detailed technical and financial audits and for rehabilitation plans to be prepared. CDI offered short independent expert appraisals first with a view to selecting promising cases and to pursue detailed rehabilitation studies only if private investors were likely to be found.

In one particular case in Angola, a large poultry complex, a European firm interested to invest is being assisted with restructuring plans and in the search for external loans for rehabilitation and expansion. The essential aspect, much more than the valuation of assets, is the evaluation of future viability necessitating considerable new investment. The European firm is meanwhile already managing the SOE under contract and thus is able to gain concrete experience in the local market.

Somalia

In Somalia (of course some years ago) CDI provided assistance for privatisation of a vegetable oil mill and a large textile factory. In both cases, interested EC partner firms were identified and with them detailed rehabilitation/expansion

Privatisation by lease and creation of an operating company



studies were elaborated. In the oil mill enterprise the government remained as minority shareholder by capitalising the useful part of assets of the former SOE.

Risk capital funding obtained from EIB was instrumental to increase the cash equity for the government as well as for the EC partner and by providing a concessionary loan for new investment required.

For the textile factory with substantial assets, eroded equity and heavy outstanding debt a solution had to be found to place the EC partner in a majority position whilst limiting his risk exposure. Hence an adequate structure was designed for creation of an operating company majority-owned by the private investors, who would invest in working capital and new assets only. Government would lease the existing assets to the operating company and would be able to service old debts (after restructuring) with the proceeds of the lease agreement.

Guinea Bissau and Burundi

Two similarly instructive cases are noteworthy, a brewery in Guinea Bissau and an animal feed mill in Burundi, which were majority state-owned and repeatedly requested technical assistance from CDI. Realising that technical assistance without change of ownership and management was to little avail, CDI prompted government authorities to envisage privatisation.

For the Burundi feed mill CDI found a European firm to engage itself in a two-year management contract with an option to eventually buy-out the government shareholding. The management assistance is in part subsidised by CDI and is showing good results in redressing the enterprise. The brewery in Guinea Bissau, after an independent technical and financial audit sponsored by CDI, intends to pursue the sale of government shares to interested private investors. This should not only liberate the enterprise from state interference and improve management but also provide the ground to attract further loan finance for required investments.

Kenya

In Kenya a large textile mill was majority state-owned and had accumulated heavy losses leading to a negative net value up to 1991. CDI in cooperation with DEG assisted with a rehabilitation study and a financial restructuring proposal which eventually led government to accept substantial reduction of its shareholding. As no competent private investor was found under the circumstances, the development finance institutions involved took a joint majority shareholding and designed a restructuring concept with a management contract. Under this management contract, executed by the Rehabilitation Advisory Service (RAS), operational performance is significantly improving and there is now some prospect to turn around the company and to make it attractive to private investors. Obviously this restructuring process with management contract before full privatisation is financially demanding and requiring subsidy support from CDI among others.

Yet it appears as the only viable solution to reduce government influence, to improve management, save the company from liquidation and improve it for full privatisation.

Senegal and Cameroon

In several cases CDI assisted on the side of private investors in the process of acquisition and rehabilitation of a SOE. So, for example, with a small EC company who recently acquired state-owned poultry farms in Senegal and Cameroon after a public bidding procedure. CDI supported the company with advice for mobilization of additional loan funding required, with contributions for technical management and training of local personnel.

Mozambique

In Mozambique private EC companies integrated the assets of a defunct state-owned cashew nut processing plant into a new enterprise requiring substantial additional equity and loan finance. CDI provided advice for the evaluation of the project and helped to obtain adequate loan finance on a risk capital basis from the EIB.

The important lesson learned from these cases is first of all that each privatisation is a particular case needing careful analysis and specifically designed solutions. A necessary condition is the reduction of state influence but many more ingredients are required for success. Unless enterprises basically have feasible prospects in competitive markets, or can be restructured in this direction, private ownership cannot be attracted and private management cannot achieve satisfactory results. And even if these conditions are assembled, substantial support is still required by the privatised enterprises with respect to expert advice, technical and management assistance. Hence, as could be seen, CDI's services can facilitate the privatisation process and enhance the prospects for successful operation under market conditions.

TARGETING QUALITY PROJECTS

In 1992, the CDI made 195 interventions directly relating to the development of ACP companies (in the form of studies, advisory work or direct assistance). Of these, 95 had been completed in full by 31 December. Naturally, these figures show only the tip of the iceberg - the final balance sheet of the Centre's work - and take no account of any upstream activity for identifying and assessing projects via permanent exchanges with the office network, contacts with financial institutions and support agencies out in the field, information and promotional campaigns, etc. The CDI annual report - currently going to press and available sometime in June - will present a comprehensive analysis of the Centre's work, chiefly in relation to its networks in ACP countries and in Europe, and more detailed comments concerning the graphs shown on this page.

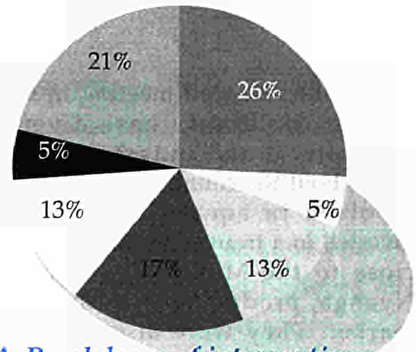
1. Interventions

CDI used its entire intervention budget, and saw rapid growth in funding from external cofinancing. CDI's overall interventions in 1992, both completed and in progress, liberated financial resources whose origins can be broken down as follows:

- commitments drawn on the CDI budget: 46%;
- backing from European institutions with which CDI is cooperating: 19%;
- backing from European partners involved in the projects: 12%;
- backing from ACP promoters: 23%.

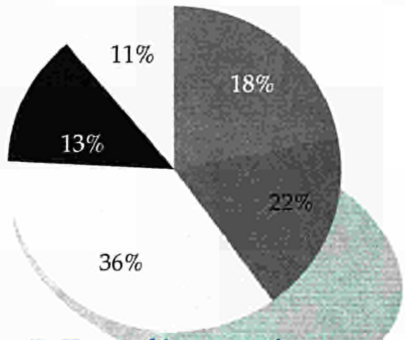
In other words, if CDI's contribution is equal to 100, the external funds liberated can be considered to be worth 117, thus more than dubling the financial resources involved.

The three graphs A, B and C show how interventions can be broken down according to their type, sector, and location.



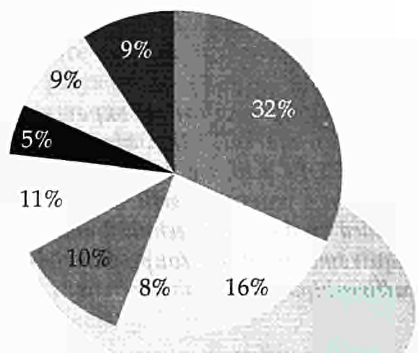
A. Breakdown of interventions in terms of location

West Africa	26%
Nigeria	5%
Central Africa	13%
East Africa	17%
Southern Africa	13%
Pacific	5%
Caribbean	21%



B. Type of intervention

Studies (2)	22%
Advisory work (3)	18%
Start-up / technical assistance	36%
Training	13%
Other forms of assistance (4)	11%



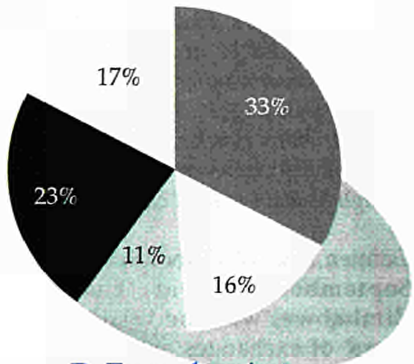
C. Breakdown of interventions according to sectors

Agri-foodstuffs	32%
Building materials & non-metallic minerals	16%
Woodworking	8%
Textiles & clothing	10%
Metal & mechanical	11%
Leather & skins	5%
Chemical	9%
Plastics and miscellaneous	9%

2. Projects

Out of 92 projects given backing, 89% involved wholly private ACP companies, while 11% concerned projects funded by government capital (with, at times, a process of privatisation underway). 47% of the projects had already received CDI assistance; a sign of the Centre's determination to stand by ACP companies throughout their development. (1)

Graph D shows the breakdown of projects according to the type of company involved.



D. Type of project given assistance in 1992

Company start-ups	33%
Expansion of existing companies	16%
Diversification within existing companies	11%
Upgrading of existing companies	23%
Consolidation of existing companies	17%

Three-fifths of the projects in 1992 involved EC partners (concerning, in some instances, partnerships that are still under negotiation); 36% of the total number of projects chose joint ventures as the preferred form of partnership. The EC partners came from France (31%), Belgium (24%), Portugal (20%), Great Britain (10%), Germany (5%), Spain (4%), the Netherlands (2%) and Denmark (1%).

(1) Projects supported by the CDI on average received two interventions from the Centre in 1992, with some projects able to warrant repeated assistance for several years now.

(2) Technical/market studies, etc. : 14%; comprehensive feasibility studies : 8%

(3) Expertise & diagnostics, negotiatings help, finance research

(4) Travel/ marketing assistance, etc.

Transferring Fish Farming Technology to Zimbabwe

Fish farming in African lakes shows great potential for both the African and European markets. A very promising partnership between a top European fish farming concern and a major Zimbabwean agro-industrial company, supported from the beginning by the CDI, will soon result in a very efficient fish farm and processing plant. The farm will reduce Zimbabwe's reliance on imported fish, and may one day export to Europe.

"When I joined Groupe Gabriel's fishfarming operations in the Belgian Ardennes, I had no idea that in a few year's time I'd be in Zimbabwe, trying to extract two crocodiles and a hippopotamus from a fish cage!" Mr. Damien Legros *remarks with a chuckle. "It was a good lesson in technology transfer - you must be flexible enough to adapt to local circumstances."*

Damien Legros' 15-month stint (July '92 - September '93) at Lake Kariba, Zimbabwe, was the result of several years' of exchanges and studies carried out by the CDI and the two companies concerned. Groupe Gabriel is one of Europe's largest freshwater fish farming companies, with operations in Belgium, France and Germany.

First Contact Through CDI

"Groupe Gabriel achieved its market position thanks to highly intensive fish farming technology. Every year we grow 3,000 tonnes of freshwater fish and trade another 7,000 tonnes. We're also specialists in live fish transportation - we carry 45% of all the live freshwater fish transported in Europe," explains Mr. Courtney Hough, of the company's Technical Services division. This division, set up to ensure that the group's 10 European fish farms operate smoothly, has already performed work for other organisations, including CDI studies in Jamaica, Cameroon and Senegal.

In 1989 Mr. Hough met representatives of Zimbabwean company Cairns Holdings at a CDI-sponsored meeting in Harare. Cairns Holdings has diversified agricultural and industrial interests throughout the country, and was already involved in aquaculture. They had invested in a trout farm in the mountains close to the Mozambique border at Nyanga, producing fish for the local market. They were also buying and processing fish from Lake Kariba, and had introduced a new freshwater prawn farming project on the lake.

"Together we identified areas of potential cooperation, including exports to the European market," Mr. Hough recalls. *"With CDI's help, we then prepared a study of Cairn's potential, which led to a more detailed study of the technical and economic requirements of a Groupe Gabriel-Cairns partnership."*

Targeting Tilapia

The studies showed real potential, particularly in farming tilapia, a very popular fish that can be produced in African lakes like Kariba. *"Tilapia is a type of perch Groupe Gabriel have some experience with, as we have developed a fish farming unit in Belgium, using water warmed by the Tihange nuclear power station on the River Meuse,"* Mr. Hough continues. *"So we recommended that they focus on them rather than freshwater prawns. By end of 1991 a complete feasibility study was made for the construction of the tilapia farm, with joint support from the CDI and the Walloon Government in Belgium. We also imported a couple of tonnes of Zimbabwean tilapia to Europe to demonstrate the potential for exporting the tilapia fillets produced at Kariba. In early 1992 Robin Nyagato, the manager of the Cairns Trout Farm, spent some time with us learning our fish farming techniques".*

View of the trout farm, situated in the mountainous region of Nyanga.

This was obviously time well spent, as Mr. Nyagato returned to Zimbabwe and doubled production, including tripling the yield of trout fry (infant fish) in the farm in Nyanga. The experience he gained in live fish transport in Belgium also played an important role in saving the country's trout breeding programme from the drought, when he helping the Department of National Parks relocate around 3,600 fish from their drought-stricken location to the Pungwe River. This achievement helped him to win the title of Cairns Employee of the Year.

From Pilot to Final Project

This convinced all the parties involved that the next stage should be a fully-fledged pilot project in intensive tilapia farming on Lake Kariba. As a result, Damien Legros was sent to Zimbabwe to set up the pilot project and train local personnel. While Cairns Holdings found the finances to cover all local costs, CDI and the Belgian Administration for Development and Cooperation (AGCD) played an essential role in paying the offshore costs - foreign equipment, transport and so on.

"The 'foreign exchange problem', where countries like Zimbabwe cannot afford international currencies, made this support essential," Mr. Hough explains. *"The equipment was worth 30,000 ECUs, and included sturdy oxygen meters, aerators, automatic feeders, water analysis equipment, computers and so on - the sort of things Zimbabwean dollars cannot buy."*

Mr. Legros is developing and upgrading the farm's facilities, including a live fish transporter and the breeding ponds. After the first nine months he has already showed that the revamped operation can produce the necessary quantities of high-quality fry, and will spend the rest of his stay smoothing the transition from pilot project to commercial operation. The final goal is to build and operate a commercial tilapia farm capable of producing a minimum of 300 tons of fish per annum.

At the moment the Cairns Group is developing a processing plant for the African market. *"They already have an important local market, as Zimbabwe imports 45,000 tons of frozen or dried fish every year. That alone would be enough to justify the project,"* Mr. Hough notes. *"And they are eyeing other African markets."*

"But our market research in Europe has also showed great promise, and so Groupe Gabriel is interested in importing the tilapia. As part of our development agreement, we've helped the Cairns Group identify what they need to do to meet European market requirements, such as using certain fish feeds to avoid DDT contamination and including all the required information on the packaging. The next step will be to build a new processing plant for exporting to Europe."

CDC - CDI cooperation agreement

AN ALLIANCE WITH A LEADING INVESTOR

In December 1992, the CDI and the Commonwealth Development Corporation (CDC), the leading British finance and development institution, signed a cooperation agreement, thereby enhancing the sound cooperation links already in existence between the two bodies.

The CDC at present has 1.7 billion ECUs committed to more than 300 companies - public and private - from around 50 different developing countries (both Commonwealth members and non-members). In order to secure CDC backing, projects have to aspire towards the economic and social development of the country, be financially viable, and respect the environment. The CDC has the authority to grant long-term loans, or to take out a stake (a majority one, in some cases) in projects by injecting venture capital. It often plays an active role in managing the companies in which it is a shareholder. The CDC is thus able to offer a remarkable combination of financial and management expertise as well as technical backing.

East Usambara Tea Co Ltd (Tanzania), a company rehabilitated by CDC, and in which CDC holds 60% of the shares.

During an inaugural working meeting in London last February, CDC and CDI representatives began to cement the new agreement by organising regular information exchanges right from the preparatory stage of projects. The two bodies shall, whenever such action is warranted, coordinate assessment studies and organise joint missions.

The business sectors in which the CDI and CDC are active are complementary. This means that the agreement's application should considerably increase the impact of their interventions. The CDI chiefly expects the agreement to lead to more British capital being freed for ACP companies as well as greater access to CDC's financial expertise and cooperation with its network of local agencies established in 14 ACP countries. The CDC, which has indeed just set up a "new business" department to deal with private company start-ups in developing countries, will enjoy CDI help with identifying and preparing projects to be financed. As an illustration of their complementarity: the CDC, which requires a feasibility study before committing itself to projects, does not allocate credits to finance such studies, whereas this is precisely the type of finance that forms part of CDI assignments.

In the longer term, the agreement is also expected to favour the setting-up and consolidation of effective local finance intermediaries and management consultants in developing countries.

Cooperation already underway on several projects

During their working meeting in London, the CDI and CDC exchanged information and coordinated future action regarding several projects: Tanzania - pineapple production; Uganda, Malawi and Fiji - woodworking; Gambia - horticulture; Ghana - processing of fruit and fishery products; Papua New Guinea - palm oil processing.

ACP NETWORK

EC NETWORK

Non-metallic minerals Professional Meetings in the Caribbean area

From 23 to 25 April, Port of Spain (Trinidad & Tobago) was the scene of a three day Professional Meeting, organised by the CDI for the non-metallic minerals sector around the Caribbean. The aim of such encounters is to bring local firms into contact with European companies from the sector to discuss development problems, and to use this framework to promote genuine forms of technical, commercial, or financial partnership.

The forty or so participants from the Caribbean area chosen by the CDI to attend this business encounter were joined by a large number of companies specialising in mineral extraction and processing which had already received help from the Centre. Several local finance and industrial promotion bodies were also in attendance. From Europe, the CDI had selected twenty companies that were not only interested in potential equipment supply contracts, but also capable of providing adequate technological assistance and sound market expertise.

The next issue of Partnership will present a more detailed account of the outcome of these Professional Meetings.

EIB funding for joint ventures in Mozambique and Guinea Bissau

The EIB recently approved risk capital loans for a cashew-nut factory in Mozambique and a leather shoe factory in Guinea Bissau. CDI had provided substantial help to both projects during the preparation phase and assisted with their presentation to EIB.

The cashew-nut processing company is established in the Nacala Province of Mozambique as a joint venture between Mozambican and Portuguese partners, involving also the privatisation of a state-owned factory by transfer of its remaining useful assets. Whilst the private shareholders contribute substantial equity funds, EIB provides an ECU 3 million loan from risk capital. The investment comprises a processing plant for 6000 tons of cashew-nuts per year. The supply of cashew-nuts involves a large number of small farmers in the region and a company-owned plantation scheme will be gradually introduced as well. The processed cashew-nuts will be exported to Europe and North America, thus generating much-needed foreign exchange earnings.
The CDI, in cooperation with ICEP Portugal, helped the local promoters and their Portuguese partners in the preparation, finance search and the presentation of their project to EIB.

The leather-processing company set up in Guinea Bissau constitutes a joint venture between a local private investor and a small Portuguese firm, which also provides the relevant technical expertise. The company will produce leather shoes and other leather articles for the local and regional markets. Whilst input materials will have to be largely imported, local value-added will be enhanced by appropriate, relatively labour-intensive technology. EIB approved a 1 million ECU loan from risk capital to be on-lent to the company via an intermediary bank in Guinea Bissau. Given the limited financial strength of the promoters and the risk factors of the project, EIB's risk capital conditions are certainly most conducive to the success of this venture.

CDI assisted the promoters through all the stages of project preparation, with market and feasibilities studies and introduced them to EIB.

Catalonia (Spain): agreement between the CDI and COPCA

At the beginning of this year, Messrs. J. Cortadellas, Director General of COPCA (Consorci de Promocio Comercial de Catalunya) and P. Frix, Director of the CDI, signed a new cooperation agreement between their two bodies (1), which were already enjoying working ties within the Forums organised by the EC Commission for West and Central Africa. As the body responsible for the promotion abroad of the Autonomous Community of Catalonia, COPCA receives a budget draw from the region and its companies. It has opened offices in several countries, notably in ACP states. As early as the end of February, a visit to Barcelona by Messrs. J.M. Delchambre and F. Matos Rosa, from the CDI Division responsible for the European Network enabled the first, solid foundations to be laid for cooperation between the two institutions.

(1) In accordance with the wishes of the Catalonia regional government, this agreement therefore takes up from that previously in existence between the CDI and CIDEM.

Zimbabwean assignment in Portugal.
From left to right: Mr Peter Kunjeku, Confederation of Zimbabwe Industries; Mr Pacheco Miranda, Director of the ICEP; Mrs Cristina Almeida, CDI Liaison Officer at ICEP.

Zimbabwean antenna visits Portugal

Last February, the representative of the CDI's Zimbabwe antenna (The Confederation of Zimbabwe Industries), Mr. Peter Kunjeku, after time spent training at the Brussels CDI, travelled to Portugal for a brief assignment. ICEP (Investimentos, Comercio & Turismo de Portugal), which coordinates cooperation in Portugal with the CDI, organised a programme of meetings with potential Portuguese partners. Mr. Kunjeku visited firms in and around Lisbon and Oporto. At the end of his stay, ICEP also organised a seminar on investment opportunities in Zimbabwe with the participation of 80 Portuguese companies.

Erratum
The countries of Cape Verde Islands and Guinea Bissau are Portuguese-speaking, not French-speaking as listed in Table II ('Dakar '92 in figures') in the previous issue of Partnership.

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Operational Summary

No. 74 — May 1993

(position as at 10 May 1993)

EEC-MEDITERRANEAN
EEC-ACP
EEC-ALA
DEVELOPING COUNTRIES

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).

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

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.

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Please cover only one subject at a time.

DESCRIPTION SECTOR CODE

A1	**Planning and public administration**
A1A	Administrative buildings
A1B	Economic planning and policy
A1C	Assistance to the normal operations of government not falling under a different category
A1D	Police and fire protection
A1E	Collection and publication of statistics of all kinds, information and documentation
A1F	Economic surveys, pre-investment studies
A1G	Cartography, mapping, aerial photography
A1H	Demography and manpower studies
A2	**Development of public utilities**
A2A	Power production and distribution
A2Ai	Electricity
A2B	Water supply
A2C	Communications
A2D	Transport and navigation
A2E	Meteorology
A2F	Peaceful uses of atomic energy (non-power)
A3	**Agriculture, fishing and forestry**
A3A	Agricultural production
A3B	Service to agriculture
A3C	Forestry
A3D	Fishing and hunting
A3E	Conservation and extension
A3F	Agricultural storage
A3G	Agricultural construction
A3H	Home economics and nutrition
A3I	Land and soil surveys
A4	**Industry, mining and construction**
A4A	Extractive industries
A4Ai	Petroleum and natural gas
A4B	Manufacturing
A4C	Engineering and construction
A4D	Cottage industry and handicraft
A4E	Productivity, including management, automation, accountancy, business, finance and investment
A4F	Non-agricultural storage and warehousing
A4G	Research in industrial technology
A5	**Trade, banking, tourism and other services**
A5A	Agricultural development banks
A5B	Industrial development banks
A5C	Tourism, hotels and other tourist facilities
A5D	Export promotion
A5E	Trade, commerce and distribution
A5F	Co-operatives (except agriculture and housing)
A5G	Publishing, journalism, cinema, photography
A5H	Other insurance and banking
A5I	Archaeological conservation, game reserves
A6	**Education**
A6A	Primary and secondary education
A6B	University and higher technical institutes
A6Bi	Medical
A6C	Teacher training
A6Ci	Agricultural training
A6D	Vocational and technical training
A6E	Educational administration
A6F	Pure or general research
A6G	Scientific documentation
A6H	Research in the field of education or training
A6i	Subsidiary services
A6J	Colloquia, seminars, lectures, etc.
A7	**Health**
A7A	Hospitals and clinics
A7B	Maternal and child care
A7C	Family planning and population-related research
A7D	Other medical and dental services
A7E	Public health administration
A7F	Medical insurance programmes
A8	**Social infrastructure and social welfare**
A8A	Housing, urban and rural
A8B	Community development and facilities
A8C	Environmental sanitation
A8D	Labour
A8E	Social welfare, social security and other social schemes
A8F	Environmental protection
A8G	Flood control
A8H	Land settlement
A8I	Cultural activities
A9	**Multisector**
A9A	River development
A9B	Regional development projects
A10	**Unspecified**

ATTENTION: The PABLI Service is temporarily suspended for technical reasons on the production side.

The reactivation of the Pabli Service will be indicated in due course.

PABLI — Blue page informatics

Direct access to the blue pages via on-line terminal or telex.

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.: Ministry of 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. 2.75 mECU. Construction of Tourism Training Centre-cum-Hotel and T.A. ★ *Date financing March 93.* 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. *Date financing April 93.* 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 equipment, medicines and T.A. Project in execution. 7th EDF.
EDF BEN 7002 A7a

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 — 4×4 pick-ups). T.A. and training. Project on appraisal. 6th EDF.
EDF BT 6026 A3e, A5i

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 A2b, A3c

Douna 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. 7.100 mECU. Power centre and distribution network in Diébougou, Kongussi, Nouna. Works, supplies and T.A. ★ for supervision and control. *Date foreseen for financing April 93.* 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

__Support programme to S.M.E's.__ Resp. Auth.: Ministère de l'Industrie, du Commerce et des Mines. Estimated cost 10.520 mECU. Investments, agencies, T.A. and training, line of credit. Project on appraisal. 7th EDF.
EDF BK 7006 A4,A5

__Support to the Structural Adjustment Programme. General Import Programme. 93-95.__ Hard currency allowance to import ACP and EC goods, with negative list. 38 mECU. T.A. for starting and follow-up. Project on appraisal. 7th EDF.
EDF BK 7200 A1c

BURUNDI

Structural Adjustment Support. General Import Programme. 12 mECU. Hard currency allowance to import ACP and EC goods. There is a 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

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 awareness-raising. Project on appraisal. 7th EDF.
EDF BU 6029 A5i

Support project for micro-entreprises. 10 m ECU. Support to prepare technical dossiers, management follow-up. T.A., training. Project on appraisal. 7th EDF.
EDF BU 7004 A4, A5

__Support for the electoral process.__ Resp. Auth.: Ministère de l'Intérieur. 1.950 mECU. Supply of ballot papers, equipments, ink, fax and T.A. Project on appraisal. Date foreseen for financing May 93. 7th EDF
EDF BU 7007 A1c

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: Saantui, Sang melima, Bafut. Resp. Auth.: Ministères 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. 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 *restr. tender after prequalification.* Project in execution. 6th and 7th EDF.
EDF CM 6030 (7004) A7e

Road maintenance programme. Resp. Auth.: Ministère des Travaux Publics. 22.5 mECU. Maintenance in 3 regions: Tikar ★ plain, Ayos-Bertona, Yaundé. *Project in execution.* 7th EDF.
EDF CM 6031 (7005) A2d

CAPE VERDE

Improvement of urban management. Resp. Auth.: Muncipalidad de Praia. Direccão Geral Cartografia e Cadastro. EDF 0.800 mECU, local 0.371 mECU, Sweden and

Dienste in Übersee (German NGO). Strengthening of the land registration and cartographical services, creation of a Study and Planning Office in the Municipality. Supplies, training. Project in execution. 7th EDF.
EDF CV 6001(7001) A8a, b

CENTRAL AFRICAN REPUBLIC

Support for 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

North Region development programme. Phase II. *Resp. Auth.: Ministère de l'Economie, du Plan, des Statistiques et de la Coopération Internationale — Ministère des Eaux, Forêts, Chasse, Pêche et Tourisme (M.E.F.C.P.T.). 16 mECU. Works, supplies and T.A. Works by direct labour, supplies by int. tender, T.A. by restr. tender after prequalification. Project on appraisal. 7th EDF.*
EDF CA 6002/7002 A3a

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. 7th EDF.
EDF COM 5002(7001) A3a

Line of credit for SMEs. 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

Support to the Structural Adjustment Programme. General Import Programme. 93-95. *Hard currency allowance to import ACP and EC goods, with negative list. 5.500 mECU. T.A. for starting and follow-up. Project on appraisal. 7th EDF.*
EDF COM 7200 A1c

Sea-access to the Moheli island. *Resp. Auth.: Ministère de l'Equipement — Direction Générale des Travaux Publics. 3.250 mECU. Works, by int. tender. T.A. for further investigations, tender dossier and works supervision. Project on appraisal. 7th EDF.*
EDF COM 6006/7003 A2d

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

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-Touboro road study, institutional support to the Ministère des T.P. Training. Road study: short-list done. Project in execution. 7th EDF
EDF CD 6001 (7003) A2d

Cotton rural roads maintenance. *Resp. Auth.: Ministère des Travaux Publics. Estimated cost 7 mECU. Rehabilitation works and supervision. Project on appraisal. 7th EDF.*
EDF CD 7004 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 entreprises. T.A., supplies and line of credit. Project in execution. 6th and 7th EDF.
EDF COB 6005/7001 A4, A5

Support to the anticipated general elections. *0.200 mECU. Contribution for the printing of ballot papers. Imprimerie Nationale and Imprimerie des Armées. Project on appraisal. 7th EDF.*
EDF COB 7004 A1c

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. 6th EDF.
EDF IVC 6009 A3a

Health sector support programme. 11.2 mECU. Strengthening basic care, correcting balances 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. 7th EDF.
EDF IVC 7001 A8a, b

Research — development programme for market gardening, agroforestry 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. 7th EDF.
EDF IVC 7003 A6f, A6c, i

Support to cooperatives. Resp. Auth.: G.V.C. Groupement villageois de commercialisation. 1.275 mECU. T.A. for 3 years, evaluation and training, supply of equipment
★ and line of credit. ***Date financing March 93.*** 7th EDF.
EDF IVC 6101/7 A5f

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 equipment, studies, T.A. Project on appraisal. 7th EDF.
EDF DI 6008 A3a

Handcraft promotion. Resp. Auth.: Office National du Tourisme et de l'Artisanat. 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 advice, encouragement for forming professional groups, financial assistance. Works, supplies, T.A. for training, monitoring and technical support. Project in execution. 7th EDF
EDF DI 7001 A4d

Health training programme. *Resp. Auth.: Ministère de la Santé Publique et des Affaires Sociales. 0.750 mECU. T.A., scholar-ships, seminars, training. Project on appraisal. 7th EDF.*
EDF DI 7101/002 A7e

DOMINICA

Structural Adjustment Support Programme. Resp. Auth.: Ministry of Finance and Development — Economic Development Unit. 2 mECU. General Import Programme. Project in execution. 7th EDF.
EDF DOM 7200 A1c

DOMINICAN REPUBLIC

Integrated rural development project in the NOROESTE (PROLINO). Resp. Auth.: Ministry of Agriculture. EDF 23.61 mECU. Building of earth-dams, infrastructure, supply of equipment, T.A. and lines of credit. Project in execution. 7th EDF.
EDF DO 7006 A3a

Integrated programme to develop primary education at local level. Resp. Auth.: Secretaría de Estado de Educación, Bellas Artes y Cultos (SEEBAC). Total cost 8 mECU. EDF 7 mECU, local 1 mECU. Buildings, equipment, T.A. Works by direct labour or acc. proc., the equipment will be purchased locally. T.A.; short-list to be done.
★ ***Date financing March 93.*** 7th EDF.
EDF DO 7007 A6a

Integrated health programme in the south-east. Resp. Auth.: Secretaría de Estado de Salud Pública y Asistencia Social (SESPAS). Total cost 9.8 mECU. EDF 8.8 mECU, local 1 mECU. Physical health infrastructure by direct labour or acc. proc., health materials and equipment by int.
★ tender, training, health education, T.A. ***Date financing March 93.*** 7th EDF.
EDF DO 7008 A7a,b,c,e

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. 6th EDF.
EDF EG 6001 A3c, e, i

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

Short-term support programme for the reconstruction and development of Eritrea. 19.800 mECU. Dams 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

***Construction of 2 bridges (Sigatoka, Ba).** Resp. Auth.: Public Works Dept. Estimated total cost 11.060 mECU. EDF 9 mECU, local 2.060 mECU. Bridge reconstruction after cycline Kina. Study to revise drawings: short-list to be done. Project on appraisal. 7th EDF.
EDF FIJ 7002 A2d*

***Vunidawa and Korovou bridges construction.** Resp. Auth.: Public Works Dept. 0.950 mECU. Drawings and construction of Korovou bridge, deck construction for Vunidawa bridge. Project on appraisal. 7th EDF.
EDF FIJ 7002 A2d*

GABON

Construction of 95 classrooms (primary schools) in Libreville. Resp. Auth.: Ministère de l'Education. 6.5 mECU. Works, supply of equipment, work supervision and coordination. Project in execution. 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

***Tourism promotion.** Resp. Auth.: Ministry of Information and Tourism. 0.960 mECU. Tour operator promotion. Management Agency by restr. tender. Date financing April 93. 7th EDF.
EDF GM 6016-7008 A5c*

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 Programme. General Import Programme. 1993. Hard currency allowance to import ACP and EEC goods. There is a negative list of items not eligible (military-luxury and environmentally ★ hazardous products). ***29 mECU. Project on appraisal.*** 7th EDF.
EDF GH 7200 A1c

GRENADA

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

General Import Programme. Hard currency allowance to purchase EEC or ACP goods with negative list. 2 mECU. Provision of T.A. in the fields of legislative and/or fiscal ★ expertise. ***Date financing March 93.*** 7th EDF.
EDF GRD 7200 A1c

GUINEA

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 (teachers national schools, primary schools). Water points. Work, supervision.
★ ***Date financing March 93.*** 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 roads 50 mECU. Works, supervision, several T.A. Project in execution. 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. Project in execution. 7th EDF
EDF GUI 6002 (7004) A3a

GUINEA BISSAU

Rural development programme. 23.8 mECU. Improvement of food and fisheries production, line of credit, microprojects, 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. Project in execution. 6th and 7th EDF.
EDF GUB 6013 (PRI) A7, A8

GUYANA

Sea defence programme. Resp. Auth.: Hydraulic Division. 12 mECU. Rehabilitation of 11 km of sea defences, procurement of materials and equipment. 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. ***Date financing April 93.*** 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 *launched.* Project in execution. 5th EDF.
EDF JM 9999 A8bc

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

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 in execution.* 7th EDF
EDF JM 5021/7004 A5c,d,e,

Credit scheme for micro and small enterprises. *Resp. Auth.: Planning Institute of Jamaica. Implementation by Apex Institution and Coordination and Monitoring Unit. 7 mECU. Line of credit, T.A. and evaluation. Project on appraisal. Date foreseen for financing April 93. 5th, 6th and 7th EDF.*
EDF JM 5020 A4,A5

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

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. *Date financing March 93.* 7th EDF.
EDF KE 6024(7002) A3a, A5i, A8f

Revival and Development of the Swahili Culture. *Resp. Auth.: Ministry of Home Affairs and National Heritage. National Museums of Kenya (N.M.K.). 1.990 mECU. Safeguarding, acquisition and restoration, supply of equipment, T.A. Date financing April 93. 7th EDF.*
EDF KE 7004 A5i

St-Austin-Kabete Road. *Strengthening of 7.5 Km of dual carriageway road. Works will be carried out under variation orders to the existing EDF financed contract for the Kabete-Limuru and Westlands-St-Austin roads. Project on appraisal. 7th EDF.*
EDF KE A2d

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-breeding and research centres, excavation, rehabilitation, swamp reclamation, access roads, supply of equipment 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 equipment and T.A. Project in execution. 6th EDF.
EDF MAG 6013 A3a

Kamolandy bridge reconstruction. Resp. Auth.: Ministère des Travaux Publics. 1.540 mECU. Submersible-type bridge. 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. ***First part for 1st half: 1.998 mECU.*** Project in execution. 7th EDF.
EDF MAI 7255 A6, 7, 8

AIDS 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

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

Support to the Structural Adjustment Programme. General Import Programme. 93-94. *Hard currency allowance to import ACP and EC goods, with negative list. 26.250 mECU. T.A. to improve efficacity of the taxes and incomes department. Project on appraisal. 6th and 7th EDF.*
EDF MLI 7200 A1c

MAURITANIA

Support programme for the development of the Gorgol region (PDRG). 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

Rehabilitation of Nouakchott and Aioun Hospitals. Resp. Auth.: Ministère de l'Equipement et Transports. 7.350 mECU. Works, supply of equipment, staff training. ★ Supervision and audit. ***Date financing March 93.*** 5th, 6th and 7th EDF.
EDF MAU 6009 A7a

Rehabilitation of the Nouakchott Wharf. Resp. Auth.: Ministère de l'Equipement et des Transports. 4.5 mECU. Works, supervision, follow-up and evaluation. Project on appraisal. 7th EDF.
EDF MAU 5002(7003) A2d

Support for the structural adjustment programmes. General Import Programme. Hard currencies allowance to purchase EEC and ACP goods with negative list. 18 mECU. T.A. foreseen for implemen- ★ tation of the G.I.P. ***Date financing March 93.*** 7th EDF.
EDF MAU 7200 A1c

Istitutional support to the Ministry of Planning. Resp. Auth.: Ministère du ★ Plan. 1.562 mECU. ***Date financing April 93.*** 7th EDF.
EDF MAU 6015 A1b

Second Road Programme. *Resp. Auth.: Ministère des Travaux Publics. 7.350 mECU. Supply of equipment and materials by int. tender. Studies, auditing, T.A. and training. Project on appraisal. 7th EDF.*
EDF MAU 6004-7004 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

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 railway 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 for the rural health sector. 15.390 m ECU. Assistance to populations, assistance for mutilated and disabled war victimes. Management by existing N.G.O.'s. Project in execution. 7th EDF
EDF MOZ 7255 A7

Support for 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. Project in execution. 7th EDF
EDF MOZ 7005 A2d

Reinstatement of displaced, refugee 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. Project in execution. 7th EDF
EDF MOZ 7006 A3a

NAMIBIA

Support programme for the mining sector. Resp. Auth.: Ministry of Mines and Energy. Day-to-day administration by the Industrial Development Corporation. 40 mECU. Mine development, expansion, drillings, tiling plant, recuperations, small scale mining. Works and supplies by int. tender. ★ T.A. and training. ***Project in execution.*** 7th EDF.
EDF NAM SYS 9999 A4a

Institutional support for the Ministry of Agriculture, Water and Rural Development. Resp. Auth.: Ministry of Agriculture, Water and Rural Development. 1.3 mECU. T.A. for agricultural planning and marketing and production economics. Project on appraisal. 7th EDF.
EDF NAM 7003 A1c

Abacus Educational Supplement. *Circulation of this educational supplement to the general population. 0.500 mECU. Date financing April 93. 7th EDF.*
EDF NAM 7006 A6a

Namibia Integrated Health Programme. *Resp. Auth.: Ministry of Health and Social Services. 13.500 mECU. Infrastructures, equipment, training and T.A. Project on appraisal. Date foreseen for financing April 93. 7th EDF.*
EDF NAM 7007 A7

Upgrading and rehabilitation of primary school physical facilities in rural areas. *Resp. Auth.: Ministry of Education and Culture. 1.800 mECU. Construction, equipements, T.A. for supervision, evaluation. Date financing April 93. 7th EDF.*
EDF NAM 7008 A6a

NIGER

Support for 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 on the site of the old '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 in execution.*** 7th EDF
EDF NIR 7002 A1c

Small-scale Irrigation in the Tarka Lower Valley (Phase II). Resp. Auth.: Ministère de l'Agriculture et de l'Elevage. 16 m ECU. Irrigation works, infrastructure, environment, supply of equipment and T.A. ★ ***Project in execution.*** 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. 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 vehicules, 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 repair 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 for 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. 10.5 mECU. Rehabilitation works, supply of equipment, T.A. and training. Project on appraisal. Date foreseen for financing April 93. 7th EDF.
EDF UNI 7008 (6004) A2c

PAPUA NEW GUINEA

Third Structural Adjustment Programme. General Import Programme. ★ 8.5 m ECU. Same as 2nd programme. ***Project in execution.*** 7th EDF
EDF PNG 7201 A1c

Human resources development programme. *Resp. Auth.: National Dept. of Education (NDOE) and Commission for Higher Education (CHE). 15 mECU. Works: building renovation, university construction, rehabilitation works, works supervision, scholarships, training. Works for the university by int. tender. Project on appraisal. 7th EDF.*
EDF PNG 6008/7001 A6a,b

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. 9.920 mECU. Pumps, treatment, tanks, renovation existing network. Works, supplies and supervision. ★ ***Works: int. tender already launched.*** Project on appraisal. ***Date foreseen for financing April 93.*** 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, EDF 3.2 mECU, local 0.129 mECU. Road realignement, cadastral surveys, allocation of small holdings on leasehold bases, works, supplies and T.A. for ★ supervision. ***Project in execution.*** 7th EDF.
EDF SVG 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

Support for the Sectoral Adjustment Programme for Transport. Resp. auth.: Ministère de l'Equipement, 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 Pro-

gramme (10 mECU). Project in execution. 7th EDF.
EDF SE 5046 (7001) A2d

***St-Louis regional development programme.** 22.5 mECU. Jobs creation, lines of credit, T.A. to the S.M.E's, training, studies. Health centres, clinics, medical equipments and consumables, training, information. T.A. to the Direction Régionale in St-Louis and to the Service des Grandes Endémies in Podor. Drainage network, sanitation. Environmental protection with wind-breaks. T.A. Study of a water-engineering scheme in Podor. Works by acc. tender. Supplies by int. tender. T.A. by restr. tender. Project on appraisal. Date foreseen for financing April 93. 7th EDF.
EDF SE 6002/7002 A3a*

SEYCHELLES

***Assistance to small industry.** Resp. Auth.: Ministère de l'Industrie. 1 mECU. T.A. et formation. Project on appraisal. 7th EDF.
EDF SEY 6003/7001 A4d*

***Line of credit.** Resp. Auth.: Department of Industry. 0.250 mECU. For handicraft and small industry projects. Date financing April 93. 7th EDF.
EDF SEY 6003/7002 A4d*

SIERRA LEONE

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. Project in execution. 7th EDF.
EDF SL 7001 A3a

***Electricity Sector rehabilitation project.** Resp. Auth.: National Power Authority. Estimated total cost 52 mECU. EDF 10 mECU, E.I.B. 15.5 mECU, World Bank 17.5 mECU, local 3 mECU, Japan 6 mECU. EDF part: rehabilitation of the distribution network. Works, supply of equipments and T.A. for supervision. Project on appraisal. 6th EDF.
EDF SL 6005 A2ai*

***Support to the Accountant General's Department. Ministry of Finance.** 1.900 mECU. Supply of computing and office equipment. Training. T.A.: contract awarded. Project on appraisal. 7th EDF.
EDF SC 6011/7002 A1c*

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. ***Date foreseen for financing 1st half 93.*** 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

Institutional Strengthening of Government's Central Agencies. 5 mECU. To achieve an appropriate level of institutional planning and management capacity in the central ministeries. Three T.A. for 4 years under 'link' arrangement with a European Public Administration training institution. Fellowships. Project on appraisal. ★ ***Date foreseen for financing May 93.*** 7th EDF.
EDF SW 5019/7003 A6c

TANZANIA

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 Programme – General Import Programme. Phase II. Resp. Auth.: Central Bank of Tanzania. 55 mECU. Import of goods in the context of Tanzania's open general licence system, subject to a negative list. T.A. ★ ***Project on appraisal.*** 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 equipment and T.A. Project on appraisal. 7th EDF.
EDF TA 08000/000 (7001) A7c

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

***Mwanza-Nyanguge Road Rehabilitation.** Resp. Auth.: Ministry of Transports and Communications. Estimated cost 35 mECU. Rehabilitation of 62 Km of trunk roads (Nyanguge-Mwanza and Mwanza airport) and rehabilitation of Mwanza sewerage system (main works). Design study ongoing. Project on appraisal. 7th EDF.
EDF TA 6021 A2d*

***Training and Training Institutions support project.** Training materials, equipments, training, University Twinning. T.A. Project on appraisal. Estimated cost 5 mECU. 7th EDF.
EDF TA 6001 A6b*

***Support to Ministry of Finance, Zanzibar.** Estimated cost 1.800 mECU. Equipments and T.A. Project on appraisal. 7th EDF.
EDF TA 7007 A1c*

***Support Unit to N.A.O.** Estimated cost 2 mECU. Equipments and T.A. Project on appraisal. 7th EDF.
EDF TA 7008 A1c*

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

Support to the Structural Adjustment Programme. General Import Programme. Hard currency allowance to purchase EEC and ACP goods with negative list. T.A. for six months for GIP implementation and the use of counterpart funds. 9.7 mECU. ★ Project on appraisal. ***Date foreseen for financing April 93.*** 6th and 7th EDF.
EDF TR 7200 A1c

TUVALU

Tuvalu fuel import programme. Resp. Auth.: Tuvalu Electricity Authority Corporation (TEAC) 0.900 mECU. Diesel fuel programme purchase. Project in execution. 7th EDF.
EDF TV 7001 A1c

UGANDA

Structural Adjustment Support Programme General Import Programme. Phase II. 30,250 mECU. Hard currency allowance to import ACP and EC goods. There is negative list of items not eligible ★ (military-luxury items). ***Project on appraisal. Identification study: short list to be done. 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. Project in execution. 7th EDF.
EDF UG 7001 A6b, c, d

Smallholder Tea Development Programme. (STDP). Resp. Auth.: Uganda Tea Growers Corporation (UTGC). 20 mECU. Increase in the production and quality, management improvements, infrastructure development, institutional and financial sustainability, environment conservation and regional development. Works, supply of equipments, T.A. and training. Project on appraisal. 7th EDF.
EDF UG 6002/7002 A3a

Uganda health project. Phase III of the Rural health Programme, West Nile Health Programme and the Uganda Blood Transfusion Service Project Phase II. Infrastructure rehabilitation equipment (vehicles, furnishings, offices), medical supplies and tests, in service training and T.A. and management. 20 mECU. Project on appraisal. 7th EDF.
EDF UG 6012/7003 A7

Institutional Support. Resp. Auth.: National Authorizing Officer. 2 mECU. Reinforce the capacity of the NAO office. T.A., training and supply of equipments. Project on appraisal. 7th EDF.
EDF UG 6023/7004 A1c

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. Phase II. Resp. Auth.: Bank of Zambia. 41 mECU. Hard currency allowance to import ACP and EC good. T.A. already financed on previous ★ funds still on the spot. ***Project on appraisal.*** 7th EDF.
EDF ZA 7200 A1c

SYSMIN III – General import. Resp. Auth.: Bank of Zambia. 60 mECU. Project in execution. 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

Social Sector Support Programme. Resp. Auth.: Ministries of Health, Education, Water Affairs and Local Governments. 12 mECU. Rehabilitation works and health infrastructures, water supply, education. Supply of drugs and equipments, and T.A. Project on appraisal. 7th EDF.
EDF ZA 7003 A7,A8

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 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, equipment 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. Project in execution. 7th EDF.
EDF ZIM 7200 A1c

Support to the Faculty of Veterinary Science of the University of Zimbabwe. Resp. Auth.: Faculty of Veterinary. Estimated cost 5 mECU. Supply of vehicles and equipments. T.A., University link, fellow-scholarships. For Zimbabwe and SADC region. Project on appraisal. 7th EDF.
EDF ZIM 5004/7001 A6b

Mashonoland East Fruit and Vegetable Project. Phase II. Resp. Auth.: Agricultural Development Authority. 3.300 mECU. Provision of transport, construction of houses and assembly markets. Supply of equipments and T.A. Project on appraisal. Date foreseen for financing June 93. 7th EDF.
EDF ZIM 5012/7003 A3a

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. Project in execution. 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 12.5 mECU. EDF 6.25 mECU, The Netherlands ± 6,25 mECU. Works, supplies and T.A. (final design, tender dossier, supervision). Project on ★ appraisal. ***Int. tender (conditional) already launched. Date foreseen for financing June 93.*** 6th EDF.
EDF ARU 6003 A2d

NEW CALEDONIA

Improvement of Magenta airport. Construction of Crash, Fire and Rescue Services (SSIS) building. Resp. Auth.: Civil Aviation Department. 0.700 mECU. Special loan. Building, parking area and slip roads, furnishing and technical ★ equipment. Works by acc. proc. ***Date financing March 93.*** 5th EDF.
EDF NC 6006 A2d

Educational buildings in the Loyauté Islands. 2.375 mECU. Works by acc. proc. ★ (conditional). Project on appraisal. ***Date foreseen for financing May 93.*** 7th EDF.
EDF NC 7001 A6d

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 dossier and training. T.A. short-list done. Project in execution. 7th EDF
EDF REG 7003 A2d

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

PALOP COUNTRIES – ANGOLA – MOZAMBIQUE – GUINEA BISSAU – SAO TOMÉ & PRINCIPE – CAPE VERDE

Support to improve educational systems. 5 mECU. Trainers training, production of pedagogical equipment, T.A. Project on appraisal. 7th EDF.
EDF REG 7901-001 A6b

Regional training for Middle Staff Statisticians. 3.5 mECU. Training of 900 middle staff statisticians in the five countries. Building-up a modular training system, training for trainees, workshops-newsletter. ★ T.A. Project on appraisal. ***Date foreseen for financing April 93.*** 7th EDF.
EDF REG 7901-002 A6b,j

MEMBER COUNTRIES OF C.O.I. – INDIAN OCEAN COMMISSION COMORES – MADAGASCAR – MAURITIUS – SEYCHELLES

Support for environmental programmes in C.O.I. countries. Resp. Auth.: Mauritius Regional Authorising Officer. 11 mECU. T.A. for the regional coordinating unit – for national coordinating units – for surveys on the coastal area and on the protection of plant biodiversity. Supply of ★ equipment by int. tender, training. ***Project in execution.*** 7th EDF.
EDF REG 6511/7 A8f

Regional programme to develop tourism in C.O.I. countries. Resp. Auth.: C.O.I. – Comité Permanent du Tourisme – C.P.T. 6.239 mECU. T.A. for setting-up the training programmes, sale, promotion and marketing, back-up operations to assist management, transfer of know-how and intra-regional solidarity, specific studies. ★ Supplies and training. ***Project in execution.*** 6th and 7th EDF.
EDF REG 6944/7 A5c

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. 6th EDF.
EDF REG 6310 (RW....) A2d

MEMBER COUNTRIES OF EIER-ETSHER

EIER-ETSHER — Housing and accomodation 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.: Deparments 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

PACIFIC ACP STATES

Human resources development in energy sector. 4.400 mECU. T.A. to improve management, technical performance and regulation of conventional power supplies and petroleum import. Project on appraisal. 6th EDF.
EDF REG 5705/001 A2a,i

ANGOLA — MOZAMBIQUE

Training in the port and maritime fields. Training by experts and consultants. T.A., training and equipment. 0.950 m ECU. Project in execution. 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 Mozambique 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 equipment, T.A. evaluation. Fellowships. Project on appraisal. 7th EDF.
EDF REG 6426 A6d

Collaborative effort for a maize and wheat improvement network. Resp. ★ Auth.: SACCAR — CIMMYT. ***3.970 m ECU.*** T.A., training, supply of equipment. Project on appraisal. 7th EDF
EDF REG 7402 A3a

SADC Regional Customs Training Programme. Long-term. T.A. to the Botswana, Lesotho, Namibian and Swaziland customs services. Training and equipment. 1.9 mECU. Project on appraisal. 7th EDF.
EDF REG 5412/7 A1b

SADC Language Training Programme. Resp. Auth.: Institute of Languages in Maputo as Regional Project Coordinator (RPC). 2 mECU. English language training and Portuguese language training. Monitoring-evaluation. Project on appraisal. 7th EDF.
EDF REG 6415/6430/6433/7 A6

Regional training programme for food security. *Resp. Auth.: Food Security Technical and Administrative Unit (FSTAU) in Harare. 5 mECU. Training and T.A. Supply of equipment by int. tender. Project on appraisal. 7th EDF.*
EDF REG 6420/7 A6ci

SADCC — MOZAMBIQUE

Beira port dredging contract. Resp. Auth.: Ministry of Construction and Water. 15 mECU. Dredging for two years of the access channel to the port of Beira. Works: 2 years, 4 million m^3/year. Supervision and ★ training. Project on appraisal. ***Date foreseen for financing 1st half 93.*** 7th EDF.
EDF REG 7401 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

Programme for fighting AIDS. Funding of regional actions. 20 mECU. Support for 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

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 on appraisal. Date foreseen for financing April 93.***
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. Project in execution.
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. Support programme. Hard currency allowance with negative list. 50 mECU. T.A. for follow-up 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 in execution.*
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 in execution.*
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. Different T.A. and purchase of equipment. Project in execution.
SEM MAT 91/431 A5c, d

MOROCCO

Structural Adjustment Programme Support. General Import Programme. *Hard currency allowance to the Central Bank – Bank AL-Maghrib, to import EC goods. With negative list. 80 mECU. Project on appraisal. Date foreseen for financing May 93.*
SEM MOR 334/93 A1c

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

Exploitation 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 for 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

Water 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

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 Universities of Ankara and Marmara. Training centre and language laboratory in Marmara. Establishment of a Euro-Turkish 'Business Council'. Project in execution.
SEM TU A6b

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

Assistance to the Palestinian population of the West Bank of the Jordan and of the Gaza strip. *EEC contribution 15 mECU. Health, education, production, environment, water, research and T.A. Project on appraisal. Date foreseen for financing May 93.*
SEM OT 93 A3,A6,A7,A8

EURO-MAGHREB COMMUNICATIONS S.A.R.L. PARIS

Euro-Maghreb training programme in communications. EEC contribution 1.400 mECU. Seminars, scholarships for young professionals from Maghreb countries. Project on appraisal.
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 birth rates. Resp. Auth.: I.P.P.F. (UK). EEC contribution 10.500 mECU. Project in execution.
SEM REG 680-92 A7c

MED-CAMPUS

Support programme for development cooperation actions among Universities and High Schools from Europe and Mediterranean third countries. EEC contribution 6.500 mECU. Teacher training and continuing training. 62 networks already selected. Project in execution.
SEM REG 729-92 A6b, f

MED — INVEST

Programme to support cooperation in SME development. EEC contribution 10 m ECU. Project in execution.
SEM REG A5e

MED — MEDIA

Programme to support co-operation between media institution, organisations and companies in the Community and in the Mediterranean countries. *EEC contribution 4.500 mECU. Project already selected for this 1st phase. Project on appraisal. Date foreseen for financing April 93.*
SEM REG 149/93 A5g

A.L.A. developing countries ASIA and LATIN AMERICA

BANGLADESH

Population and Health IV: Contraceptive 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 ***int. tenders from EEC,*** 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. Construction and equipment, of about 150 cyclone shelters-cum-primary schools. Work, by acc. tenders. Supply of equipment and radio communication equipment. 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 for the 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. provided by Kampsax International – BCEOM and the Danish Hydraulic Institute. The investment 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

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 Medecine. 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

Integrated development programme for the Andean zone and the upper Tarija valley (PRODIZAVAT). EEC contribution 14.155 m ECU. Works, supplies and T.A. Project in execution.
ALA BO 92/34 A3a

Flood protection for the town of Montero. Resp. Auth.: CORDECRUZ and SEARPI. Total estimated cost 15.670 mECU. EEC contribution 12.500 mECU, SEARPI 0.674 mECU, CORDECRUZ 2.5 mECU. (SEARPI: personnel, logistics, ancillary services, maintenance of works – CORDECRUZ: works - direct labour, logistics, operating costs). Studies, monitoring, training programmes, defence works. Works by ★ acc. proc. supplies by int. tender. ***Project in execution.***
BO 9235 A8g

Consolidation — Rural auto-development. Rural programme in Oruro and Potosi. EEC contribution 12 mECU. ★ Works, supplies and T.A. Line of credit. ***Int. tenders for works and supplies to be launched. T.A.: contract awarded.*** Project in execution.
ALA BO 9248 A3a

CHILE

Integrated development programme for the northern regions. EEC contribution 10 m ECU. Works, supplies and T.A. Project in execution.
ALA CHI 92/33 A3a

CHINA (P.R.)

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 soil, water management and husbandry practices. 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 equipment, irrigation system, overseas training and T.A. Project in execution.
ALA CHN 9214 A3a

Gansu provincial irrigation experiment and training centre. *Resp. Auth.: Water and Electricity Bureau of Lanzhou Municipality. EEC contribution 1.700 mECU. Supply of sprinkler irrigation systems by int. tender. Specialized T.A.: agronomist and engineers, training specialists. Project on appraisal. Date foreseen for financing 1st half 93.*
ALA CHN 9313 A3a

COLOMBIA

Silk production development. Resp. Auth.: Secretaría de Integración Popular and Unidad de Gestión consisting of a European co-director and a Colombian co-director. EEC contribution 8 mECU. Specialised T.A., supply of equipment for silk plants, revolving ★ funds. ***Project in execution.***
ALA CO 9131 A3a

Fondo Amazonico. Cofinancing of project with private or public institutions in different sectors: mining, forestry, agricultural, environmental, institutional development, information, educational, health, tourism. T.A. line of credit: EEC contribution 5 ★ mECU. ***Project in execution.***
ALA CO 9213 A3a

Drinking water – Sanitation – Pacific Coast. 7.5 mECU. Water conduits and ★ sewers in 57 villages. ***Supplies: int. tender to be launched.*** Project in execution.
ALA CO 9239 A7c

COSTA RICA

Rural Integrated Development Programme in OSA-GOLFITO (Consolidation). *EEC contribution 5.500 mECU. Supply of equipments, infrastructures, line of credit and T.A. Project on appraisal.*
ALA COS 93/9 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), equipment for road maintenance, medical supplies, transport, infrastructure, line of credit. Supplies by int. ★ tender, works by acc. tender. ***Project on appraisal.***
ALA EQ 9126 A3a

EL SALVADOR

Basic health and hygiene 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 Usulutan department. Rural credits via Banco de Tierras, supply of equipment and expatriate T.A. Project in execution.
ALA SAL 9218 A8h

Rural development programme in the Chalatenango Department. EEC contribution 7 mECU. Cofinancing with IFAD. T.A. for monitoring, coordination, commercialisation, soil protection, reafforestation, dynamisation of associations, specific action for women. Project in execution.
ALA SAL 9245 A3a

GUATEMALA

Support for agricultural reform in the Pacific Region (Coatepeque). Resp. Auth.: Ministero de Desarrollo (MINDES). EEC contribution 9 mECU. supply of equipments, line of credit, T.A. Project in execution.
ALA GUA 9228 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 9III 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 (equipment and vehicles) by int. tender. T.A. for project monitoring, agricultural development, animal husbandry and forestry and evalu-

ation. 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

Sector Support for Primary Education. Resp. Auth.: Ministry of Human Resources Development. EEC contribution 150 mECU. Support to the sectoral programme and T.A. for follow-up and education. Project on appraisal. Date foreseen for financing May 93.
ALA IN 9314 A6a

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 equipment. Specialized T.A. and training. Works by acc. tender. Supplies by int. tender. Project on appraisal.
ALA IND 9119 A3e

MERCO SUR

EC-Merco Sur (Argentina, Brazil, Paraguay and Uruguay). Cooperation programme and T.A. for technical standards. *EEC contribution 3.950 mECU. Specialized T.A. and supply of equipments. Project on appraisal.*
ALA REG 9315 A1c

MONGOLIA

Strengthening of the Veterinary Services. Resp. Auth.: Ministry of Agriculture. Dept. of veterinary medicine. EEC contribution 2.3 mECU. Purchase of equipment by int. tender. T.A. and training. Project in execution.
ALA MNG 9209 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. Equipment 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

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 in execution.***
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. This programme covers the hospitals in the various capitals. Supply of equipment, incinerators, vehicles and tools. Training and European T.A. Supplies by int. tender. Project on appraisal.
ALA REG 9133 A7a

Regional support programme for plant health. Resp. Auth.: O.I.R.S.A.- Organismo Internacional Regional de Sanidad Agropecuarias in San Salvador. EEC contribution 6.4 mECU. Supply of equipment, vehicles, tools by int. tender. Works by direct labour or acc. tender. T.A. long and ★ short term. Training. ***T.A.: contract awarded. Project in execution.***
ALA REG 9137 A3a

Regional programme for T.A. and development of the telecommunications sector in Central America. EEC contribution 13.800 mECU. T.A. to COMTELCA and centro-americans operators. Rural telephone networks and improvement of transmissions capacities. T.A.: contract awarded. Supplies by int. tender. Project in execution.
ALA REG 9123 A2c

PERU

Support for disadvantaged rural populations in the RENOM and INKA regions. EEC contribution 10 mECU. Microprojects, reafforestation, road infrastructure rehabilitation, improvement of production and marketing, educational and health programmes. T.A. and training. Project in execution.
ALA PE 9244 A3a

Majes II Programme. Resp. Auth.: The Regional Government of the Arequipa Department. EEC contribution 11 mECU. Support for production (milk, fruit, vegetables), livestock, infrastructural works. T.A., line of credit. Supply of equipment by int. tender. ★ ***Date financing April 93.***
ALA PE 9302 A3a

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 Highways (DPWH). EEC contribution 15 mECU. Works, supply of equipment, 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-projects, 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 contribution 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 — HONDURAS — NICARAGUA

Action programme for adolescent women and young unmarried mothers. 4 mECU. T.A., coordination, management, follow-up. Supply of equipment. Project in execution.
ALA REG 9246 A8e

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 Economica (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

VENEZUELA — EQUATOR — COLOMBIA — PERU

Fishing programme VECEP. EEC contribution 20 mECU. Artisanal fishing, resources evaluation and training. Project in execution.
ALA REG 9243 A3a

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

Moneragala Irrigation and Community Development. Resp. Auth.: Project Management Unit (PMU) — Project Steering Committee (PSC) — Ministry of Agriculture. Total cost 7.03 mECU — EEC contribution 5.76 mECU, Government and local 1.27 mECU. Rehabilitation and improvement of 8 irrigation schemes, water management development, forestry, feeder roads, health services, small business, training, institutional support. T.A. transport and equipment. Supplies by int. tender. Project ★ on appraisal. ***Date foreseen for financing 1st half 93.***
ALA SRL 9210 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 equipment, engines and fishing gear. T.A. Project in execution.
ALA ROY 9122 A3a

VIETNAM

Reintegration programme for vietnamese refugees. EEC contribution 12.500 mECU. Project on appraisal. Date foreseen for financing May 93.
ALA VIE 9303 A1c

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

AL-INVEST

Framework programme for industrial cooperation and investment promotion. *To facilitate trade and the transfer of technology, know-how and european financing for the benefit of both sides. EEC contribution 9.100 mECU. Project on appraisal. Date foreseen for financing April 93.*
ALA REG 9309 A1e,f,A5

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Ramsès 93 – Annual world report on the economic system and strategies – Compiled by IFRI, the French Institute for International Relations, under the direction of Thierry de Montbrial, 6 rue Ferrus, 75683 Paris Cedex 14 – 456 pages – 1992

Ramsès is back. As always, it has been produced by a team of IFRI specialists who bring out an annual summary of world events, classifying the main happenings and putting them into perspective and underlining trends, particularly in strategies, policies and the economy. This edition covers August 1991 to August 1992. All editions in fact complement each other to some degree because each new Ramsès takes account of topics dealt with in previous ones. Ramsès 94 will concentrate on Africa.

Ramsès 93 is divided into three. Part one, 'A World without Anchors', deals with international politics. The two-camp system disappeared with the collapse of Communism, but the present period is unstable despite various moves towards regional grouping, it says. In the pages on sub-Saharan Africa, which are particularly instructive, the author highlights the fact that 20 or so countries have scheduled elections for between June 1992 and the end of 1995. 'But their biggest problem is probably the famine hanging over many States and threatening to hold up, if not jeopardise, the process of democratisation'. Part two, 'A Lacklustre World and Regional Dynamics', contains a telling account of the current problems of international trade. Part three, 'The Law in International Relations', is based on the idea that the institutions set up at the end of World War II are no longer the right ones for today's world and pose the problem of where the law stands in relations between citizen and State and in international relations. There are also a chronology (August 1992 to August 1993), a statistical appendix, maps and an index of proper names.

This is an extensive work, but the hasty reader should not skip Thierry de Montbrial's introduction. He would do well to think about this paragraph: 'Here, at the end of the 20th century, the European system is on the way to overtaking the order of the Nation-State, just as, from the early 17th century onwards, it slowly freed itself from inherited power and the earthly projection of a divine cosmology. People learned that they could legitimately claim the right to decide for themselves, but they still have to accept the fact that they do not have the right to decide for others.' What he means is, we should learn tolerance. ○ A.L.

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Les paradoxes de la pauvreté – Reportages (Reports on the paradoxes of poverty) – Preface by René Dumont – 'Actualités' collection – Le Monde-Editions, Paris – 190 pages, FF 98, 1992

This is a small collection of reports which journalists and correspondents of the French daily, Le Monde, published in 'Champs économiques', one of the paper's weekly supplements.

The title could equally well have been: 'The paradoxes of wealth', because, although the articles on the dozen or so industrialised countries selected indeed highlight the fact that there is poverty on the fringe of their populations, the picture is very different when it comes to the developing world, where the writers describe the wealth of a small minority, sometimes only a few families even, in contrast with the masses living in great poverty, especially in South America and Asia. In Asia, Thailand, clearly in the throes of development, is not an underdeveloped country any more, but this case apart, it is striking to see the lack, or meagre importance, of proper tradesmen's classes in all the other Third World countries discussed in this collection. There are enormous disparities. The impression is that the writers of the articles sought out the poorest people in the rich countries and the richest people in the poor countries.

In the preface, René Dumont is harsh on Nigeria, the only African country to be the subject of an article. 'In Nigeria, wealth usually comes from feudal legacies, the oil boom (which ruined farming and craft) and, above all, connexions with people in political power. Import licences bring vast profits in return for no work. The average wealth has considerably diminished because of this, as the race for personal advancement is a barrier to development and brings poverty for traders, peasants and slum-dwellers alike. Ultimately, it is turning the country into a drug trafficking centre'.

This is an inevitably piecemeal collection, but it makes for easy reading. And of course, without sinking into caricature, it often simplifies situations, which, although clearly presented, are nonetheless more complex in reality. ○ A.L.

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Back cover: *A breathtaking view of the Victoria Falls on the Zambia-Zimbabwe border (Photo The Courier)*

Zimbabwe

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