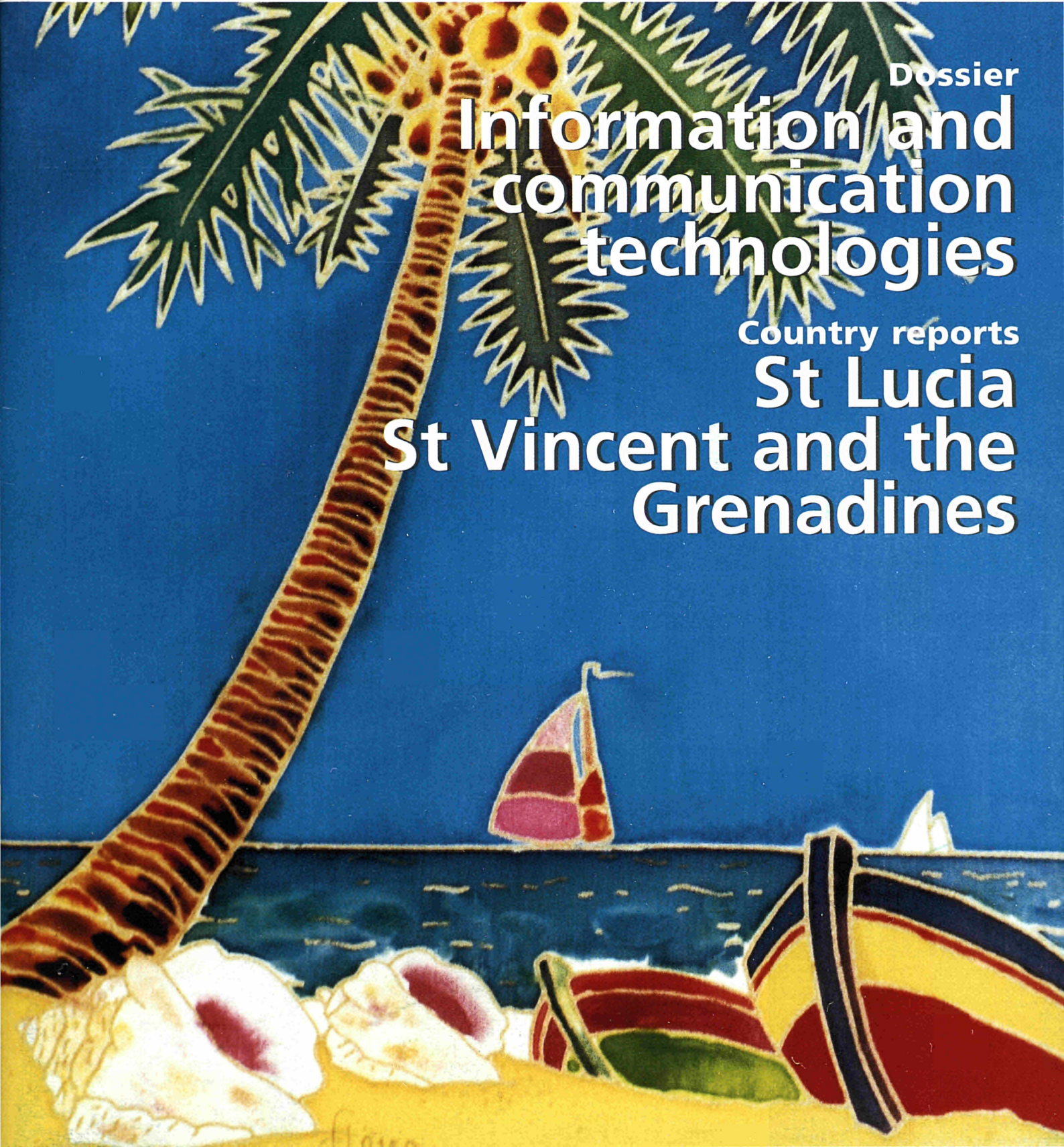


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Dossier

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Country reports

St Lucia
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The ACP-EU Courier is the main publication of the African, Caribbean and Pacific countries and the European Union. The EU provides ACP countries with preferential access to EC markets and substantial development assistance (some two to three billion Euros a year). The ACP and EU cooperate at a political level and engage in a continuous political dialogue: in trade, to promote the integration of the ACP countries into the world economy and in development assistance, with the clear objective of promoting sustainable development and reducing poverty.

“Looking back at our recent history, it is in raising matters that you actually shift the agenda for the future”

South Africa's Finance Minister Trevor Manuel was designated by Kofi Annan as one of two Special Envoys to the Monterrey Conference on Financing for Development (the other is former IMF managing director Michel Camdessus). As Special Envoy, Mr Manuel was responsible for discussions at the highest political level on the goals and commitments of the Conference.

Mr Manuel spoke to the *Courier* in Monterrey.

Maurizio Carbone*

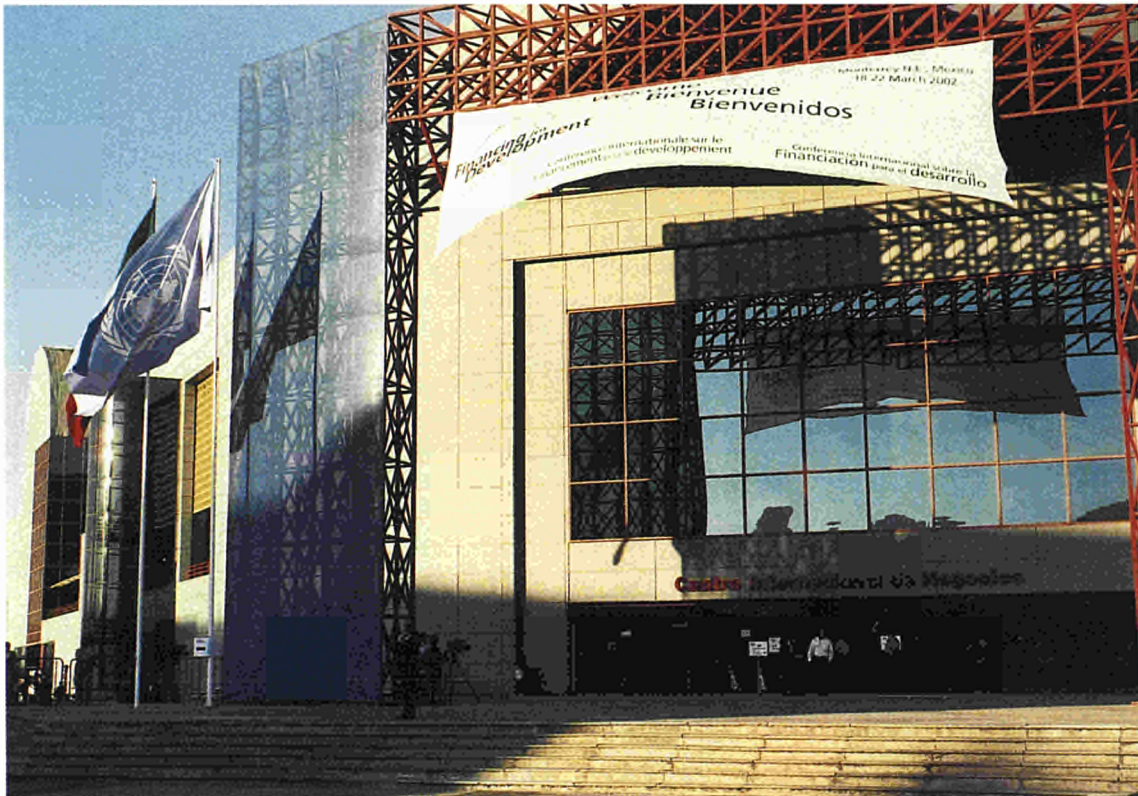
What is your assessment of the Financing for Development process? Did it make sense to come to Monterrey?

I think it made sense. We came armed with a consensus document, which is the result of four rounds of Preparatory Committees. Between the end of January, when PrepCom 4 concluded the consensus document, and now, there have been some significant changes. Some countries had very hard positions against the financing issues throughout the preparatory process. Now we have seen changes. Monterrey had quite a kickstart with the announcements by both the European Union and the US on increasing commitments. That is still short of three different criteria that have been set: the 0.7 per cent target, the doubling of Official Development Assistance (ODA) called for by Gordon Brown, and the estimate by the Secretary-General and the Zedillo Report that an extra \$50 billion is necessary. These new commitments do not meet any of these three criteria. But it is exceedingly important that there is now more money available for development. Financing issues go beyond just ODA. The emphasis on the Doha Development round is extremely important. Perhaps it did not receive sufficient attention, nor was there sufficient critique of the unilateralism of some actors. The centrality of the WTO in creating a rules-based system of trade is extremely important. That's good news for developing countries because embodied in that, and what was raised very strongly, is the basic inequity that arises particularly from agricultural subsidies. This is certainly an issue for the US and for the EU Common Agricultural Policy. Even if we are not focusing on converting the \$360 billion a year that OECD countries spend on agricultural subsidies, market access for products from developing countries can actually add a substantial amount to their output. In most developing countries, agriculture still accounts for more than 40 per cent of GDP and often employs more than 60 per cent of the labour force. So the access issue is important. The broad recognition that you have to stem the outflow of very limited capital by revising the issue of debt sustainability is important. As for Foreign Direct Investment (FDI), there is still too broad a gap between middle-income countries and Least Developed Countries (LDCs). Middle-income countries are often placed in a position where they need to expand on investments which are already there, whereas FDI in LDCs is still a non-existent entity. It's wrong of the private sector to ask for the kind of tax breaks and investment incentives that

LDCs are often pressured into giving in a “race to the bottom”. This weakens the investment climate because these countries can't then deliver elementary services like education. There is also a need to catch up with things like telecommunications, infrastructure, and technology in general. Last but not least – mentioned in the Monterrey Consensus but captured in the report – is a series of ideas relating to reform of multilateral institutions and the need for better coherence. There are two elements to consider; coherence within each multilateral organisation and across them. The other element is coherence at home. Domestic coherence is important and it has also been singled out very clearly in NEPAD. The idea of partnership between the developed North and the developing South is very important. At the centre of the commitment from the South to partnership is a need for coherent policies that mutually reinforce each other.



The Courier



The Courier

It seems that the South and the North came to Monterrey with two different agendas. Do you think this was the case?

Agendas are always shaped by experiences and objectives of different countries. The idea of the Consensus is to bring them together. I think the Monterrey Consensus achieves that. But in achieving that, it ignores the fact that there are other issues that are not taken into account. For example, the absence of a discussion on global public goods is certainly in my view a very serious omission. Many of these goods – financial stability, peace, control of the natural resources, environment, research in health care – should receive proper attention.

Why was the reference to global public goods cancelled at PrepCom 4? The European Union wanted to keep it on the agenda, but it seems that both the G77 and the US did not want it to appear in the Consensus document. Is that a correct reading of what happened?

Well, I did not participate in the detail of these negotiations. I can say without fear of contradiction that to look at finance for development and to ignore global public goods as a pre-requisite for development is a serious omission. This means that these issues must be addressed afresh in Johannesburg. I would prefer to try to resolve as many issues as we can so that we leave a small unfinished agenda for Johannesburg. The absence of a discussion on global public goods – on what they are and how they can be financed – just enlarges the agenda for Johannesburg.

South Africa and Denmark recently launched a paper on a global deal for Johannesburg. What are the main components of this deal?

The paper was not formally launched. It was part of the general discussion. The elements of the deal are there. President Bush talked about a global compact based on

mutual accountability. You have the same language in NEPAD. I know that some in the G77 have had difficulty with the idea of quid pro quos. My approach is that good governance is not a quid pro quo. Democracy requires that we are governed well, that our policies are sensible and rational, that we are accountable, that we don't steal money that is not ours. It's not as though a donor needs to attach a conditionality, such as freedom from corruption. It is wrong that donors do it. But it is worse that we don't say that we will not countenance that kind of conduct. And for that reason I can't quite understand why some in the G77 didn't like the idea of a deal about this issue. But I leave here with a sense that the undergirding of the Monterrey Consensus is that premise of mutual accountability which is being achieved.

Many of the representatives of developing countries insisted in their speeches on the reform of the international institutions. Will that ever happen?

The international institutions were designed at the end of World War II with different purposes and when the world looked different. All of the institutions, including the United Nations, were formed at a time when the nation state took on a very different form. There isn't a single country now where the economy is operating within the sovereign boundary. There needs to be a rethinking of those institutions, but I am not sure who is going to do it. Institutions cannot do it. I am not sure where it will be possible to marshal sufficient political will to effect the change. This is going to be the hardest issue of our time. The Monterrey Consensus raises the need to address these issues and I think that in many respects, looking back at our recent history, it is in raising matters that you actually shift the agenda for the future.

What is the role of regional integration in fostering economic growth? Can regional integration help development?

Regional integration has to be premised on bringing together similarities. You have to come to Monterrey to understand the changes that NAFTA has brought to Mexico. You can see similar trends around the world. Many developing countries are exceedingly small, with small, poor markets and insufficient disposable income. You can change, exponentially, market ratios by constructing integrated regions, but you cannot do that simply by dropping the barriers between countries. We have seen that with some institutions like COMESA. Markets work because prices work; prices work because the various facets of the economy interact in a certain way. You can't have inflation running at three per cent in one country and at 130 per cent in the country next door. Prices are not going to work in that area. Nor can you have a situation where some countries do better at reducing deficit spending, while others have fiscal deficits of 50-60 per cent. You are likely to have better currency stability within integrating markets. I am not talking of a greater trend to dollarisation or euro-isation. I am talking of neighbourhoods working together quite differently. We are still giving too little emphasis to this issue.

Mobilising domestic resources is also an important element of the Consensus. Do developing countries have the capacity to mobilise enough resources for their own development?

Mobilising own resources is premised on a very important principle that it is almost impossible to build an economy entirely on foreign direct investment. In an

economy you need to create entrepreneurship. You need to marshal the resources. I don't buy into the approach that says that those resources are not there. They are there. Savings need to be managed differently. Governments that live beyond their means affect the savings in the economy. A government that seeks primary balances or primary surpluses is a government that is operating in order to build for tomorrow. At the same time negotiations to shut the door on savings leaving, through restructuring debt relief, are important. Those two things together will place developing countries in a position to have more domestic resources available, not for new government investments, certainly for improving public services, certainly to assist the infrastructure, but very importantly to have it available as the general stock of wealth of the economy that can be borrowed and invested to create new growth opportunities.

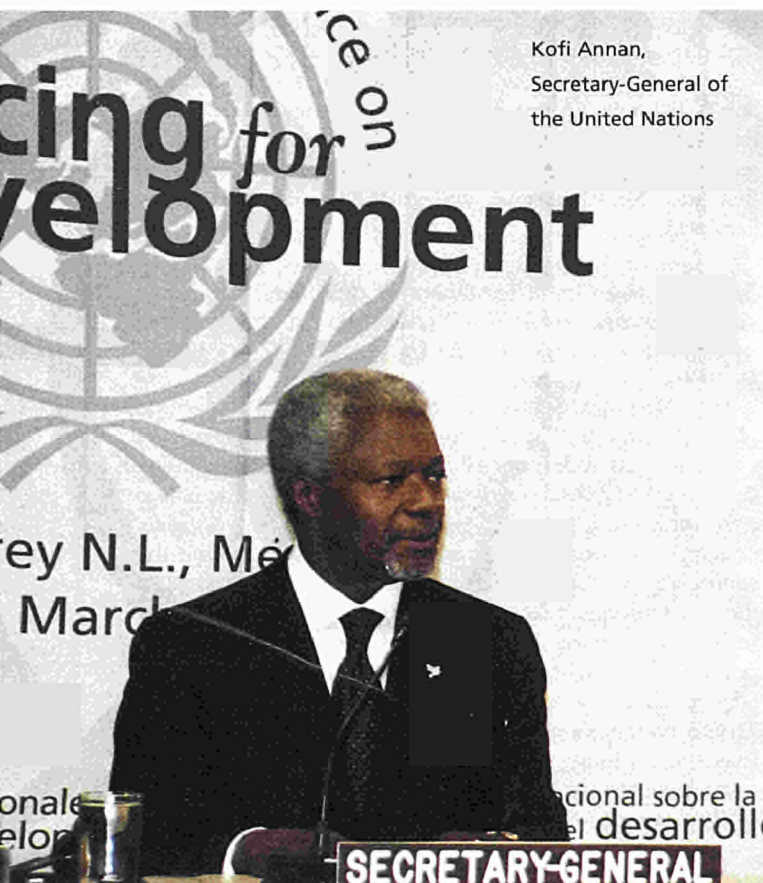
And to bring back capital which has left the country...

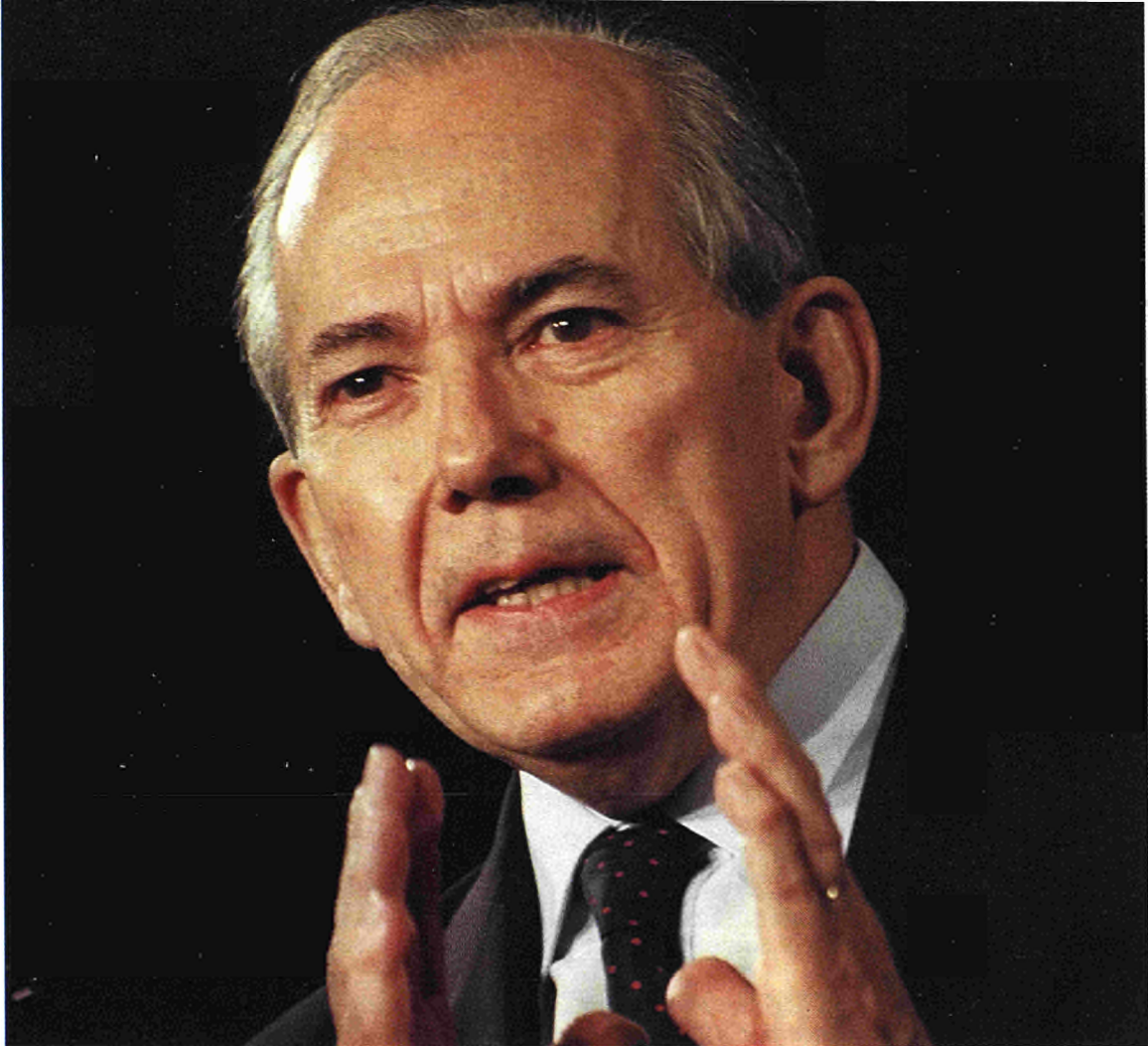
That is a clearly a part of it. Not only the financial capital, but also the human capital.

Do you feel we have missed an opportunity here in Monterrey to discuss innovative sources of financing? Should states and international organisations have gone beyond the usual means of financing development?

Other than global public goods, this is the other issue that is outside of consensus. This is going to be hard. I think that a variation on the Special Drawing Rights (SDR) proposal will still be winnable over the next period. I like to believe that there might be something there to create more finance for development. It won't be the same as the Soros proposal. If it can be carried, I think it will be a great step forward. The Tobin tax is hard for several reasons. First, nobody wants to be the first country to introduce it. Chile, having suspended their variation of the Tobin tax, has left not a single country using it. Because developing countries and even middle-income developing countries often have a capital deficit, they tend to be more dependent on inflows and so will be less likely to start the process. You therefore need some of the G77 countries to introduce it and that will make it easier for others. The second issue we need to understand is that one of the problems for many poor countries is their inability to collect taxes. No capacity to collect income taxes often implies a reliance on other things like trade taxes, which are passé. To think that a Tobin tax can resolve the issue is not going to work. The third issue is who would manage it and who would collect it. Unless you have proposals that are practical, they are not going to work or not for long. I don't support the idea of an international tax agency. If you give up the ability to collect taxes, the responsibility to collect taxes, you fail as a state. The first and most fundamental right and duty of a state is to collect taxes and to appropriate them. If you give that up, then why be a state? ■

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Michel Camdessus, was Managing Director of the IMF for a record 13 years until less than two years ago. Both he and Trevor Manuel were appointed by Kofi Annan as Special Envoys to the Monterrey Conference. Mr Camdessus has recently been appointed as the French representative for NEPAD.

Back in Paris after the Conference, Mr Camdessus outlined his view of what was achieved in Monterrey.

Jan Kristiansen (mfi)

Did the Monterrey conference really find the means of achieving the Millennium Summit target of halving world poverty by 2015?

The international community has made a substantial, but still insufficient, step in this direction. There is now a unanimous recognition that any country implementing the policies recommended in the Monterrey Consensus – which are based on economic and financial wisdom – should be able to obtain from its partners the support required to achieve the so-called Millennium Development Goals... those commitments that people were already tending to forget about.

As for official development assistance (ODA), the industrial countries committed themselves to what we might describe as a “first down payment” by promising what I would call a significant increase in their aid. If you add the commitments made by the Americans, the Europeans and the Canadians, you’ll realise that official development aid may in fact rise by 25 per cent within three years. Which would reverse the downward trend of the past ten years, and make it possible to envisage some sort of “virtuous cir-

cle” developing, provided that the developing countries make increased efforts to pursue healthy policies.

This sets the scene for the World Summit on Sustainable Development in South Africa next August?

I do believe that this bodes well for the Johannesburg summit, which might have faced disaster if Monterrey had not succeeded in coming up with a few positive signals in the area of finance.

What is really new in this new framework for cooperation adopted at Monterrey?

I believe that what highlights the significance of the Monterrey Consensus is the fact that a North-South donor-recipient relationship is being replaced by a partnership between countries that recognise that the problem of poverty is shared by all of us, North and South, even if the symptoms are most visible in the South. And this commits partners, who each make their part of the effort and accept a dialogue on how to meet a shared problem.

The UN calculated that ODA must be doubled, to over \$100 billion a year, in order to reduce extreme poverty by half between now and 2015. It seems the Monterrey promises still leave us wide of the mark?

Yes, we are indeed still far short of the requirements. That is evident. We must advance further. But this is not only an effort by the North. The South must also do its part by pursuing policies that make countries eligible for support. An aid effort that disregards the results achieved is self-defeating. The big "aid fatigue crisis" was probably due to insufficient attention being paid to aid outcomes.

Why were such ideas as a new taxation of the "Tobin tax" type apparently laid to rest?

One has to realise that what was referred to during the preliminary work as "innovative financing methods" apply to the financing of what is known as "global public goods". This concept, which has emerged recently, has a bearing on the pursuit and financing of strategies aimed at promoting such aims as bio-diversity, peacekeeping, the preservation of environmental balances and medical research into tropical diseases. Endeavours that no country would tend to finance alone, but which the world as a whole is badly in need of. For such public goods, the idea of alternative means of financing was advanced – such as an "eco-tax", a Tobin tax as advocated by some, or, as supported by others, a tax on arms exports, or an allocation of Special Drawing Rights (SDRs).

These ideas were not included in the Monterrey Consensus and many countries regretted this. This is one area where Monterrey opens a new working agenda rather than proposing solutions. But this is in itself a positive thing.

The new partnership approach seems to imply some form of "give and take" – that donors boost their aid and in exchange the developing countries bow to the demands of "good" policies. Is there not a risk of marginalising still further some very poor countries where democracy and good governance are not well established?

Where you see a give and take, I perceive above all a partnership and the possibility of triggering a virtuous circle and mutual encouragement. I think this is a good thing, and I hope that many countries where the desirable conditions of democracy and good governance do not exist at present will feel attracted by such examples.

This being said, should we abandon countries that are badly governed and where democracy is not observed? I do not think so. They must be helped, in a different manner. Obviously, humanitarian aid efforts must be pursued, for we have no reason to punish the poorest people for the errors committed by their chiefs. And on the other hand, I think we should not hesitate to grant these countries technical assistance. All kinds of aid that not only prepare for the day when a different set of policies will be implemented, but also help create – over time – the conditions for a policy shift.

The Africans consider themselves as marginalised, and some claim globalisation favours the rich countries...

What I observe is that the Africans are not at all frustrated by Monterrey, quite the contrary. With their NEPAD initiative in July 2001, they in a way foreshadowed the type of partnership that Monterrey is seeking to establish world-

wide. We may look at NEPAD – as it was repeatedly pointed out at Monterrey – as a kind of testing bench for a broader partnership. NEPAD won massive approval at Monterrey. All participants, not only the African heads of state, saw it as a golden opportunity for Africa.

Globalisation with a human face is all this: partnership and the idea that may be born from the Monterrey Consensus of a mutual accountability placing rich and poor countries on the same level.

Some people fear that the United States, at war against terrorism, may focus its increased aid on countries that directly respond to its interests... Was there any discussion of linkages between poverty and terrorism?

Let's not be naive. It is quite obvious that the Americans, like all other donors, will generally focus their aid on their friends. The main thing is that the industrial countries collectively make sure that the required resources for the financing of the Millennium objectives will be available to all countries, and not only their friends, whenever they pursue good policies.

I think at least one-third of the separate discussion during the "retreat" among heads of state was devoted to the issue of a possible link between poverty and terrorism. Some, including President Bush, the Spanish Prime Minister and a few others, deny the existence of such a link. The others were saying, watch out! There is a connection between poverty and the frustration that generates violence, which sometimes leads to terrorism. By fighting poverty we restrain the seedbeds for violence and terrorism. For my part, I fully share this view.

What has incited the donors to change tack, if they have really done so?

I believe the donor countries have indeed changed their attitude. Why so? On the one hand because of dissatisfaction over the slow progress achieved so far, because of the reaction of a very large section of public opinion against the regression of development aid, and because of the sheer scope of the problems facing the poorest countries. And on the other hand, because, somehow, the events in Manhattan demonstrated that in the face of terrorism, as in regard to this other plague, poverty, there is only one world. That such problems are not confined to a given country, be it the biggest or the smallest. We share all these problems, and we have to tackle them hand in hand, be it terrorism or poverty.

You are the French "sherpa" for the preparation of the Group of Eight (G8) response to NEPAD. The Africans are looking forward to a positive reaction from the forthcoming G8 Summit in Canada at the end of June...

I consider that NEPAD is the testing ground for the ideas that emerged at Monterrey. The work that I am associated with as the personal representative of the President and the head of Government brings me hope that the next Summit of the Eight will indeed mark a new stage in the deepening of this partnership. In the meantime we are actively getting on with our job! ■



Joint press conference with Poul Nielson, EU Commissioner for Development and Humanitarian Aid; Romano Prodi, President of the European Commission, Prime Minister José María Aznar of Spain, whose country holds the rotating EU presidency

The “Monterrey Consensus”: funding the achievement of development targets. A report on the UN International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002

At the end of a week-long conference, more than 170 countries adopted a commitment designed to “eradicate poverty, achieve sustained economic growth and promote sustainable development” in the world’s poorest countries. This commitment – the “Monterrey Consensus” – asserts the international community’s resolve to eradicate poverty, achieve sustained economic growth and promote sustainable development. The document outlines a wide range of policies to achieve the internationally agreed goal of halving world poverty by 2015.

Dorothy Morrissey

The Monterrey conference on financing for development was the first occasion, since the Millennium Summit eighteen months earlier, for the international community to look at ways of mobilising the necessary finance to achieve internationally agreed targets for reducing poverty.

At that summit world leaders committed themselves to an ambitious set of targets – the Millennium Development Goals – for reducing poverty by 2015. Those goals include: halving extreme poverty and hunger; achieving universal primary education, including equal access for girls and boys, reducing under-five mortality and maternal mortality by two-thirds and three-quarters respectively; reversing the spread of HIV/AIDS; malaria and other diseases, halving the proportion of people without access to safe drinking water; and ensuring environmental sustainability. According to Kofi Annan, the UN Secretary-general, and World Bank President James

Wolfensohn, reaching these goals would require an extra \$50 billion a year – roughly double current spending.

The principal task of the Monterrey Conference was to find ways to do this – to finance programmes and policies that would radically change the lives of the 1.2 billion people living on less than a dollar a day. The conference was also a response to a desire, long expressed by developing countries, to focus on the financial resources necessary to achieve international development goals. They believe that previous conferences did not always accomplish their goals largely because the essential financial means were not made available.

A holistic approach

The conference brought together over 50 heads of state and government, as well as foreign, finance, development and trade ministers, business leaders and representatives of civil



Participants at the civil society forum, from Chihuahua in the north of Mexico

society and international institutions. Unprecedented for a UN conference was the active participation of the World Bank, the International Monetary Fund (IMF) and the World Trade Organisation (WTO). For the first time NGOs were invited to make proposals during the preparation of the Consensus. The approach to the conference was “holistic”, in that actors from widely different backgrounds would examine together all the aspects of development and globalisation.

Unusual too was the fact that the consensus document had already been agreed in New York in January. This document is based on a new partnership between North and South. The South commits itself to democracy and good governance, the fight against corruption and the opening of markets, while the North commits itself to increase financing, the opening of its markets and debt relief.

One world

The events of 11 September certainly galvanised the conference. There was a more acute realisation of global interdependence, a sense that events in far-off places can reverberate throughout the world, and a heightened sense of common humanity. “We live in one world, not two; no one in this world can feel comfortable, or safe, while so many are suffering and deprived”, said UN Secretary-General Kofi Annan in his opening address.

James Wolfensohn spoke of “an imaginary wall that separates the rich world from the poor. For too long belief in that wall, and in those separate and separated worlds, has allowed us to view as normal a world where less than 20 per cent of the population – the rich countries – dominates the world’s wealth and resources and takes 80 per cent of its income. There is no wall. There are not two worlds, there is only one.”

“In a globalised world the fate of the majority of humankind cannot be isolated or ignored,” said Nigeria’s President Obasanjo. “Let us make no mistake. If the lessons of the past six months, since September 11, are to be heeded, it is that security is indivisible.”

The process

The conference was the culmination of a process that began two years previously with the adoption of General Assembly

Resolution 54/196. It was mandated to promote international cooperation in six key areas: mobilising domestic resources; increasing private international investment; strengthening official development assistance (ODA); increasing market access and ensuring fair trade; addressing the debt problem; and finally improving the coherence of global and regional financial structures and promoting the fair representation of developing countries in global decision-making.

Part of the preparations included the convening of a high-level panel – chaired by the former president of Mexico Ernesto Zedillo – to examine the range of issues involved. The independent panel consisted of 11 financial experts free of the constraints of official positions. Launched prior to the WTO ministerial meeting in Doha, the report urged the start of a new development round there. The recommendations of the Zedillo report gave a dynamism to the discussions. Some of the ideas it launched broke “taboos” which were unlikely to have come up in intergovernmental negotiations.

Turning the tide on ODA

As long ago as 1969, the Pearson Report recommended an increase in official development assistance (ODA) to 0.7 per cent of donor country GNP. Since the early nineties, ODA had dropped to a record low of 0.22 per cent. Monterrey put the issue again firmly on the table. The EU started the ball rolling, with a decision to open discussions with its Member States at the end of last year. This was regarded as a breakthrough – until then the issue of ODA had only been discussed in the UN or OECD context. EU countries currently provide an average of 0.33 per cent, above the global average of 0.22 per cent, and the US’s 0.1 per cent. At the Barcelona European Council earlier in March, EU heads of state and government made a commitment to reach an average of 0.39 per cent by 2006, as an interim step towards reaching the 0.7 per cent target. ODA proved to be a very contentious issue in the preparatory discussions for Monterrey, involving as it does a reorientation of national budgets to foreign policy objectives and acceptance of the 0.7 per cent target. The US in particular argued very strongly for scrapping any reference to the 0.7 per cent target. “It almost broke the negotiations”, one ACP observer told us.

US turnaround

The US had been publicly sceptical about the efficiency of aid in the months leading up to the conference. According to treas-

THE EU’S COMMITMENT ON ODA

“The EU reaffirms its commitment to the target of 0.7 per cent of GNP to be devoted to development aid, a target that several Member States have already attained and overtaken. For this Monterrey Conference the EU Member States have collectively set themselves the interim target of 0.39 per cent by 2006. This is a formal commitment which will allow a substantial increase in the amounts allocated to relieving poverty. Aid from the EU and its Member States will increase by about €8 billion (approximately US\$7 billion) per year by 2006 from its current level of €27 billion – more than 50 per cent of the world’s ODA. Over the period 2003-2006 this progressive increase will enable us to devote about €22 billion more to the fight against poverty.”

Romano Prodi, President of the European Commission

ury secretary Paul O'Neill, the international community has spent vast sums over the past 50 years, "and I would submit to you that we have precious little to show for it". The announcement by President Bush on 14 March of an increase in US aid took many by surprise. In an address to the Inter-American Development Bank, Bush proposed \$5 billion extra for foreign aid between 2003 and 2006. Five days later in Monterrey "clarification" was given – the increase was in fact even greater: US aid would be gradually ratcheted up to reach an extra \$5 billion per year by 2006 – an increase of 50 per cent.

The announcement represented a major shift after years of declining aid. As a percentage of US GNP the figure may not be impressive (an increase to 0.15 per cent). But the breakthrough is significant. However, stringent conditions are attached – the US is insisting that aid will only be given to countries that are serious about undertaking reform. These conditions include respect for human rights, fighting corruption, investing in education and health, and opening markets. The money is to go into a "Millennium Challenge Account" and will be available exclusively for those countries that fulfil the conditions.

President Bush also proposed that development banks should provide up to half of the funds to poor nations in the form of grants rather than loans (see article on page 14). The new commitment to aid is without doubt regarded as a positive step by observers, although this view is tempered with a degree of scepticism. Some regard the conditionality as worrying, saying that it will serve foreign policy objectives rather than the interests of development. Others fear that the poorest people could be excluded, in cases where they already suffer from exploitative or incompetent governments.

Trade barriers

Many references were made during the week to the cost of trade barriers and tariffs to developing countries, as well as the cost of subsidies that undercut developing country products. "Massive agricultural support in the OECD countries... forces even the most efficient developing country producers out of markets where they would otherwise be earning foreign exchange", said WTO director-general Mike Moore. Complete liberalisation in all sectors – agriculture, services and manufactures – would amount to about eight times current ODA. The OECD estimates that agricultural subsidies currently amount to \$327 billion, double the exports of the developing countries. The Consensus document acknowledges that "trade barriers, trade-distorting subsidies and other trade-distorting measures" are of particular concern to developing countries. It also recognises the need for developing countries to reduce their own trade barriers.

Dissenting voices

"The Washington Consensus in a sombrero" was how John Foster, of the Ottawa-based North South Institute termed the out-



Huguette Bokpe Gnacadja, Female Lawyers' Association, Benin
"We are worried about repeated commitments without any concrete strategy"



Jean-Pierre Ouedraogo, Burkina Faso
"The problem with a consensus is that it represents the smallest common denominator, a declaration that suits everybody"



Arjun Kumar Karki, president of the NGO Rural Reconstruction, Nepal
"In my country more than 37% of total annual expenditure is spent on debt"

We speak of financing for development, but we have to clarify what type of development we are talking about. We have to define it in the Johannesburg Summit... because the development model of the North has often been the cause of the underdevelopment of the South. It has been demonstrated, for example, that if everybody acquired the standard of living of the most developed countries in the world, we would need ten similar planets to be able to maintain the people.
Hugo Chavez, President of Venezuela and of the Group of 77 and China

come and the philosophy of the final document. For him, the Monterrey Consensus follows the free market, open trade system that was the hallmark of the era of globalisation in the nineties. Cuba's president called the final document, which Cuba did not

sign "a project of consensus that has been imposed upon us by the masters of the world... in which we resign ourselves to humiliating, conditional and interventionist handouts." NGOs say the consensus will not alleviate the problems related to poverty, because it prescribes the same free-market strategy that created them.

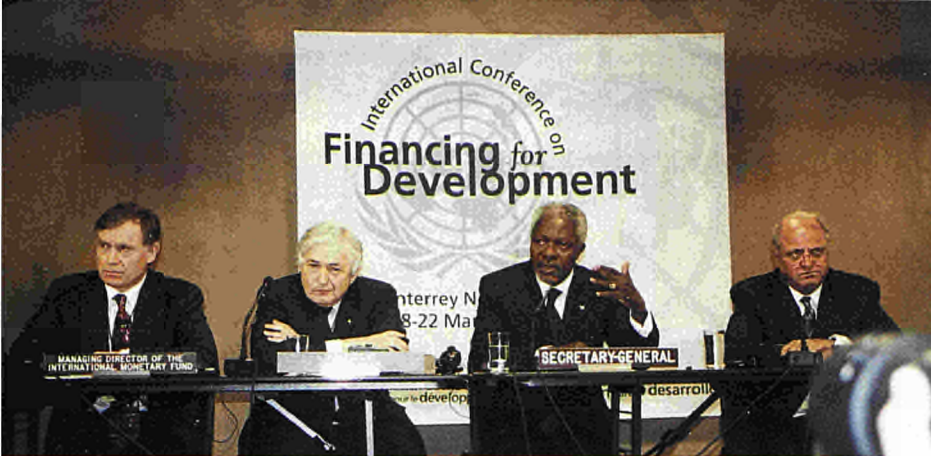
Despite civil society and developing country calls for more debt relief, the consensus contains no new proposals on debt. Unlike previous UN Summits, there were no negotiations over the text during the conference, and it was a "done deal" in advance. Some saw this as an advantage, leaving the conference free for concrete discussions rather than the finer details of trying to pin down a deal. Others saw it as a disadvantage, as the content had been negotiated at political level, not by the people who were actually handling the issues - the ministers and high-level secretaries who took part in the roundtables during the conference. Others criticise the document for its lack of binding obligations.

Innovative ideas

President Chavez of Venezuela, speaking on behalf of the Group of 77, said that new tools for financing development are urgently needed. He suggested the creation of an International Humanitarian Fund financed with money from the foreign debt

George Soros wants the US Congress to endorse a special allocation of \$27 billion in IMF special drawing rights (SDR) to fund development around the world.





A holistic approach. From left to right: Horst Koehler (IMF), James Wolfensohn, (World Bank), Kofi Annan, Mike Moore (WTO)

forgiveness efforts benefiting poor countries. Chavez agreed with other heads of state that international financial transactions should be taxed.

Two items on which agreement was not reached – and therefore not included in the consensus document – were global public goods and an international tax. Both subjects were discussed in Monterrey. A side event co-sponsored by UNDP and the governments of France and Sweden discussed the financing of global public goods (GPGs) and proposed concrete steps to apply the concept to key development concerns. Debate focused on how to close the “10/90 gap” (only 10 per cent of global R&D spending for health is used for 90 per cent of the world’s health problems), incentives to stimulate regional cooperation on water access and a proposal for a task force on GPGs.

Putting the issue of a currency transaction tax again in the spotlight was a study commissioned by the German ministry of development, on the feasibility of such a tax. Conducted by Paul Spahn, professor of finance theory at Frankfurt university and a former IMF advisor, its main finding was that such a tax is feasible and makes sense economically, in terms of its contribution to the stabilisation of exchange rates. Differing slightly from the Tobin tax, Spahn suggests a low tax rate of 0.01 per cent. Discussion on the Tobin Tax has been accompanied by considerable prejudice, and “it is hard to understand why taxation of foreign exchange transactions has found so little interest among policy makers during the last decade... characterized by severe currency crises in different parts of the world.”

A shared vision

The conference ended on an optimistic note with the adoption by acclamation of the “Monterrey Consensus”. A strong emphasis is placed on partnership between developed and developing countries: developing countries confirm their commitment to sound policies, good governance and the rule of law, while developed countries commit to promoting trade, increasing financial and technical cooperation, and to enhancing the coherence of the international monetary, financial and trading system. It is a concise, forward-looking political declaration, expressing a common vision of what needs to be done.



Former US president Jimmy Carter
 “I’ve learned a lot in the last 20 years, and one of the things I’ve learned is how devastating to some countries our policies can be. I wish I had known then what I know now about the third world”

The road to Johannesburg

The pledges made give a boost to the World Summit on Sustainable Development (WSSD), to be held in Johannesburg at the end of August. “By any standard, Monterrey was a success”, said Nitin Desai, WSSD secretary-general, at a preparatory meeting at the end of March. “Monterrey put development at the centre of financial policy. There is a new willingness to find common ground.” What is clear is that Johannesburg will build on the achievements of Monterrey, and make additional proposals. The WSSD agenda has now been broadened to include other issues relevant to sustainability – social, economic, even financial – and is not confined to a purely environmental perspective.

The IMF’s International Monetary and Financial Committee, at its recent spring meeting, gave a strong endorsement to the consensus. It is already looking at ways of implementing the “blueprint” of Monterrey.

Speaking about the Monterrey Consensus, Kofi Annan said: “If we live up to the promises it contains, and continue to work on it together, it can mark a real turning point in the lives of poor people all over the world.”

“A good, balanced document,” is how EU Commissioner Poul Nielson describes it. “We welcome the Monterrey Consensus. This is the best basis on which Johannesburg can deliver.”

Information on the conference, including the Monterrey Consensus, speeches, press releases etc
<http://www.un.org/csa/ffd>

Some elements of the Monterrey Consensus

The document expresses concern about current estimates of dramatic shortfalls in the resources necessary to achieve internationally agreed development goals. ODA will play an essential role as a complement to other sources of financing. It emphasises the need to tap all available financing resources and to increase effective use of these resources. It points to “hidden” domestic savings – savings that can be unlocked through policy, regulatory and structural reforms – as a major source of financing. The Consensus views trade as “an engine for development” and private international capital flows, especially foreign direct investment, as “vital complements” to development efforts. It says official development assistance plays an important role as a complement to other sources of financing, especially in those countries that have the least capacity to attract private direct investment. It urges countries that have not done so to make concrete efforts towards the 0.7 per cent target. It calls for the strengthening of existing initiatives aimed at reducing the debt burden of the poorest countries. It stresses the importance of further reforms of multilateral financial institutions and enhancements of financial and trade systems. It calls on the UN secretary general to coordinate follow-up efforts and create monitoring systems to measure development progress.

Quotes of the week

- We live in one world, not two. No one in this world can feel comfortable, or safe, while so many are suffering, and deprived.
Kofi Annan, UN Secretary-General
- The most toxic element in the world is poverty.
Klaus Toepfer, executive director, United Nations Environment Programme
- The world is in a grave social emergency. We have to recognise this and act in consequence. The International Monetary Fund exists but it is not the right tool for this battle. We urgently need a new tool. Why not an International Humanitarian Fund?
Hugo Chavez, President of Venezuela and of the Group of 77 and China
- Our future is a matter of political will and choice. Europe is opting for openness and solidarity. And I would call on our partners to work with us in a global partnership for peace and sustainable development.
Romano Prodi, President of the European Commission
- In Monterrey we must reach explicit commitments on the financing of development. We must then proceed with even greater clarity of purpose to Johannesburg in September this year to map out the detail for sustainable development.
Thabo Mbeki, South African President
- We cost the developing world three times as much in trade restrictions as all the overseas development assistance they receive from all sources.
Jimmy Carter, former US President and chairman of the Carter Center
- Rich countries need to do more to reduce trade distorting subsidies and dismantle their existing barriers on competitive exports from developing countries.
Mike Moore, WTO Director-General
- We estimate that it will take somewhere between \$40-60 billion in additional resources a year to meet the Millennium Development Goals.
James Wolfensohn, World Bank President
- I must be candid with all of you. I have been unable to obtain a single cent of debt relief that could be reallocated for the needs of my people in the area of food security, education, health, and water supply. In the last three years Nigeria has continued to suffer a debt overhang to the tune of almost \$5 billion. This is for debt that has been repaid two times over.
Olusegun Obasanjo, President of Nigeria
- AIDS is on track to single-handedly wipe out 50 years of development gains in the most affected countries.
Marika Fahlen, UNAIDS
- Everything created since Bretton Woods until today should be reconsidered. A farsighted vision was then missing, thus, the privileges and interests of the most powerful prevailed. In the face of the deep present crisis, an even worse future is offered where the economic, social and ecologic tragedy of an increasingly ungovernable world would never be resolved and where the number of the poor and the starving would increase, as if a large part of humanity were doomed. It is high time for statesmen and politicians to calmly reflect on this. The belief that a social and economic order that has proven to be unsustainable can be forcibly imposed is really senseless.
Fidel Castro Ruz, President of Cuba
- Instead of talking about poverty reduction, we should be talking about how to distribute wealth.
Gemma Adaba, International Confederation of Free Trade Unions (ICFTU)
- The lack of democratic control and participation within the international financial organisations and the WTO is another major obstacle to pro-poor global governance.
Eveline Herfkens, Minister for Development Cooperation, Netherlands
- I really believe we are at a turning point. The gap between rich and poor is so shocking in the public consciousness. The largest pandemic in the history of the world is raging. TB and malaria are resurging. We've been asleep for 20 years, but now the change of direction is palpable. Monterrey comes at a critical moment.
Jeffrey Sachs, Director of the Center for International Development at Harvard University, and appointed by Kofi Annan as Special Adviser on the Millennium Development Goals.
- I see efficient development assistance as what I would call an "organised handshake" between North and South. We should also make money available as a peace dividend.
Poul Nielson, EU Commissioner for Development and Humanitarian aid
- The Monterrey Consensus does not contain everything we were looking for, but it was recognised by everyone that this conference was not going to be the be-all and the end-all... Only the first building block of a long process in a new paradigm of justice and equality.
Ambassador Shamshad Ahmed, of Pakistan, one of the conference's co-chairs
- Time-bound targets to reach the 0.7 per cent GDP target should have been part of the Monterrey Consensus.
Aldo F. Caliri, US NGO Center for Concern
- If the Millennium Declaration laid the foundation for this Global Deal, Monterrey is critical to helping us map out how it can be achieved – and giving impetus to the agenda for the World Summit on Sustainable Development in Johannesburg later this year where we will work to agree on just what needs to be done to help countries implement the MDGs and sustainable development in practice.
Mark Malloch Brown, UNDP Administrator
- On many topics, we are moving from an agenda to a consensus and from a consensus to implementation
Vicente Fox, Mexican President and conference president



The Monterrey "Consensus-plus"

The Financing for Development (Ffd) Conference's promissory note to the developing countries

In this article, the ACP Group reflects on the outcome of the Monterrey Conference, giving what it terms the "Consensus-plus" a cautious welcome

The Monterrey "Consensus-plus"

The Monterrey international conference on Financing for Development came with the rigours and anticipations of a global summit, and is now over. What remains is for all stakeholders to do their utmost to rise to the challenges of its outcome. Following the rather disappointing results of the third UN Least Developed Countries conference (LDC-III) in Brussels and after the Doha WTO Ministerial Conference in 2001, it was hoped that the international community would, during the Monterrey conference, realise the urgent need to agree on practical and relevant measures to address the problems of poverty and globalisation. The ACP Group and other developing countries approached the conference with a clear message that everything should be done to avoid repeating the experiences of the last two decades; the 1990s which was characterised as a decade of lost promises and the 1980s characterised as a lost decade.

The results of the Monterrey Conference can be characterised as a "Consensus-plus". The consensus document, negotiated during the fourth PrepCom in January in New York, was short on expectations on many fronts. It was quite alarming that it did not embrace the principle of additionality in Official Development Assistance (ODA) resources. Additional ODA and debt reduction is needed to enable developing countries to use development funds to achieve the internationally accepted Millennium Development Goals (MDGs), especially in primary education, health and poverty eradication. Additionality in ODA was left out in the consensus document, as if the results of the Millennium Summit, the MDGs, and the arguments advanced by developing countries for quantitative and qualitative ODA resource increases were of little value.

The consensus document places greater emphasis on governance and market-based approaches for resolving the ever-growing problems of poverty and globalisation. Even the equivalent of the on-paper commitments of the LDC-III Programme of Action are missing on key issues of finance – which were the essence of the conference in the first place.

The "plus" factor

The dramatic turnaround by the majority of developed countries during the conference created what we now see as the "consensus-plus" situation. The EU took the lead by agreeing at its Barcelona Summit to increase its ODA level to an average of 0.39 per cent by 2006 from the current average of 0.33 per cent. This must have generated an impetus for others, the US in particular, which underwent an even more dramatic turnaround. During the preparatory process the US

was opposed to even retaining a reference to 0.7 per cent ODA in the draft Monterrey Consensus. At the conference President Bush announced the country's new vision and commitment to readdress its development aid policy; starting with a yearly increase of US\$5 billion over the current ODA levels for the next three years. This turnaround was also reflected by individual states like Norway and Canada who indicated that they would target one per cent of GNP ODA over the interim period (2006) as well as making some statements on additional debt relief.

The plenaries and roundtables, with participation from ministers and heads of states and governments, provided fora to generate further engagements. As well as additionality in ODA resources which should generate over US\$30 billion in the next three years, there were statements of intent and resolve to reduce global poverty in line with the MDGs; enhance coherence between the Bretton Woods institutions, the WTO and the UN agencies; full implementation of the Doha programme and commitments in favour of developing countries on trade; fulfilment of the Kyoto objectives ahead of the Johannesburg World Summit on Sustainable Development; and commitments on various fronts to stay engaged.

A welcome note

The ACP Group welcomes the outcome of the Monterrey Consensus-plus. The concrete steps by the EU, US and other developed countries on enhancing ODA resource flows in the short-term is commendable. This will, at least on paper, generate a sizable increase in resources, though still falling short of the US\$50 billion estimated as the extra amount needed annually to achieve the MDGs. Some of these extra resources should benefit the ACP countries. The shorter timeframe for meeting the interim ODA targets – 2003-2006 – indicates a realisation of the urgency of the problem and demonstrates a change in attitude on the part of developed countries.

The additional ODA and debt relief commitments were not internalised in the final Monterrey Consensus document. They still appear as unilateral pledges by the concerned developed countries. It is, therefore, hoped that these commitments will be respected, binding and implemented.

The second commendable result of the conference is the recognition and placing of poverty at the forefront of international cooperation and dialogue. The link which was drawn between poverty and peace, security and sustainability is also a step in the right direction. This approach promises to attract the attention of the international community to the vicious circle of poverty, to which a large part of the glob-

al population is subjected.

The third commendable result is the commitment on global trade governance. A major success was that the Financing for Development conference respected the Doha consensus despite pressure by a number of developed countries to go beyond those commitments, especially those on the scope of negotiations. Furthermore, commitments by the EU, US and Canada to further open their markets to exports from the LDCs and Africa was a clear support to both the fight against poverty and the New Partnership for Africa's Development (NEPAD). The promised compacts for Africa are, in this regard, a very welcome development. Coupled with the promised ODA resource increases, the additional market access opportunities and the conference's clear position that trade liberalisation should not undermine governability in developing countries did considerably add value to the results of the conference.

Fourth, the Monterrey Consensus-plus has generated a lot of political capital for the developed countries. The various commitments expressed at the conference and the shorter time-frame for meeting the interim ODA targets has generated substantive political mileage which the developed countries could consolidate through meeting these commitments. This political capital was matched by the air of expectation on the part of the developing countries that, this time around, the international community will endeavour to meet the commitments made at Monterrey.

The challenges ahead

While welcoming the Monterrey Consensus-plus, the ACP Group holds the view that from its experience with development cooperation arrangements, in particular with the EU, and implementation of internationally-agreed programmes, it

is justifiable for ACP States to take a precautionary stance on the results of the conference. In our view, the commitments on ODA would be more meaningful if they were expressed in terms of disbursement targets which imply transfers and benefits to recipients.

With regard to ODA additionalities, which is the main result of the conference itself, while they stand to generate substantive resources for the development of ACP countries, the unresolved problem of implementation - in particular the bureaucratic and other procedures that have characterised ODA programmes - will continue to hamper ODA delivery. Secondly, the problem of conditionalities attached to ODA resources will further continue to undermine concerted efforts by the recipient countries to increase their aid absorptive capacities.

Thirdly, the new focus on budgetary support instead of programme and project support will require speedy delivery of ODA resources to meet the cycles of budgetary arrangements in the recipient countries. It is not clear whether developed countries and their aid agencies have already internalised the requisite transi-

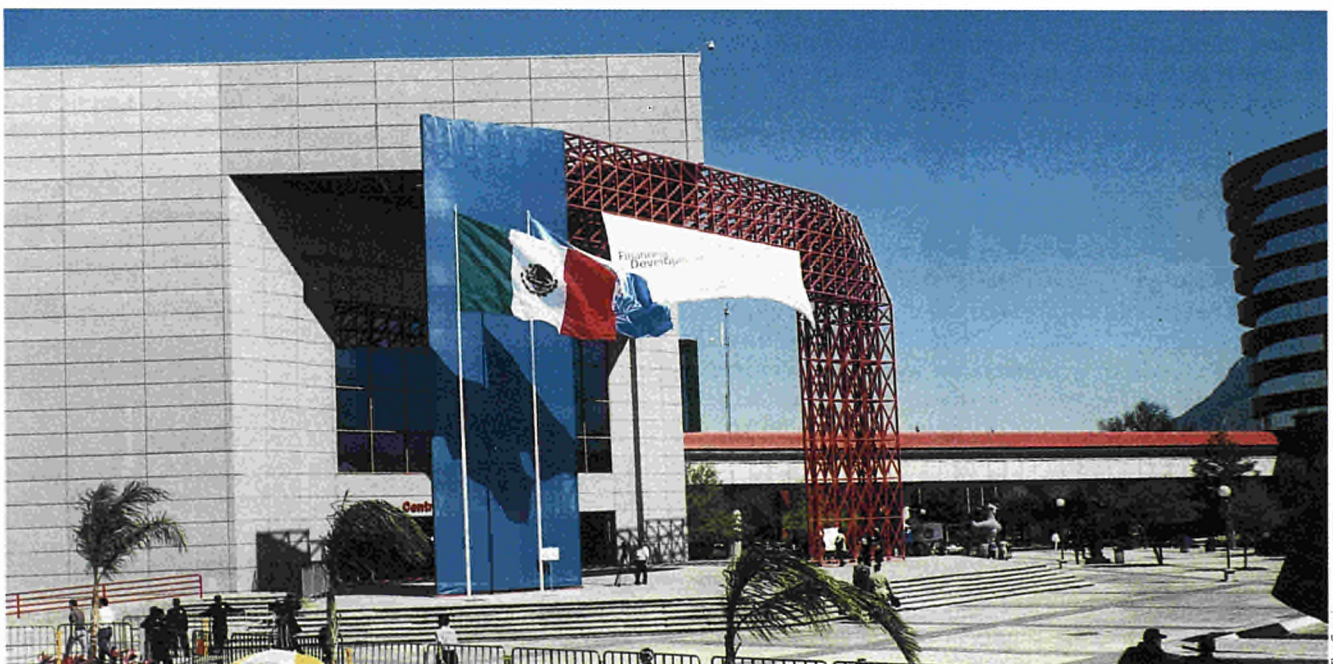
tional arrangements to facilitate this change in ODA delivery mechanisms. These and many other factors create the risk that the interim targets for ODA delivery will not be met, and thus the Monterrey Consensus-plus on this and the other very important subjects of the conference will remain "paper promissory notes" for the foreseeable future.

In spite of these reservations the ACP Group is optimistic that the Monterrey Consensus-plus, in particular the new movements with respect to ODA levels, will help to meet, or contribute towards, the noble goal of poverty reduction in developing countries. ■

The additional ODA and debt relief commitments were not internalised in the final Monterrey Consensus document.

They still appear as unilateral pledges by the concerned developed countries.

It is, therefore, hoped that these commitments will be respected, binding and implemented.



Convention Centre, Monterrey

More grants, fewer loans: the US proposal

The US has proposed that 50 per cent of the resources of the International Development Association (IDA), the World Bank's fund for soft loans to poor countries, should be provided as grants rather than loans. This has raised a number of concerns, reviewed here by Maurizio Carbone*.

Over the past decade, multilateral development institutions have increasingly become a major source of assistance for developing countries. While the United Nations and the European Union provide almost all their aid in the form of grants, the World Bank (and IDA), the International Monetary Fund (IMF), and the regional development banks provide almost all of theirs in the form of concessional loans.

The IDA lends money to the poorest countries. Between 1992 and 2001, the total amount of repayments from IDA borrowers was \$13 billion. This self-financing aspect of the IDA has become increasingly important and has reduced the overall demand for donor contributions.

Unlike the World Bank's lending to middle-income countries, IDA loans (about \$6 billion a year) are made on extremely soft terms to about 80 eligible countries – a total population of 2.3 billion – with per capita incomes of less than \$1,500. Loans are to be repaid over 40 years, have a ten-year grace period and are priced at an interest rate that solely reflects the cost of administering the loan. The rate of default is very low (about 4 per cent).

The US idea

In a speech in July last year, President George W. Bush called for the World Bank and the other regional development banks to increase dramatically the share of their funding provided as grants rather than loans to the poorest countries. Bush proposed that up to 50 per cent of this funding should be given as grants for education, health, nutrition, water supply, sanitation and other human needs.

Bush's proposal echoed recommendations made to the Congress in 2000 by the Meltzer Commission, and reflected the ideas of key members of his government team, particularly treasury secretary Paul O'Neill. The US proposal should also be seen in the wider context of its new policy towards the World Bank. On several occasions O'Neill has criticised the bank for its failures in achieving the promised goals of alleviating world poverty, and has expressed frustration at the difficulty of changing aid practices.

The US proposal entails making its contribution to the IDA dependent on the World Bank and poor countries meeting certain performance criteria. Grants are more easily tied to measurable performance or results. Funds would be disbursed only when results were achieved – for example numbers of children vaccinated, literacy standards or numbers enrolled in schools. Moreover, the argument ran, grants were better than

loans because they did not add to the debt burden of already highly indebted countries.

The World Bank itself was initially very sceptical about the US proposal, but now welcomes the added flexibility that a grant window would bring, enabling the IDA to deal better with "emerging special development challenges."

The EU reaction

Most European countries have resisted the US proposal for several reasons. First of all, if the World Bank no longer made loans it would no longer receive interest and capital payments, which now account for around 40 per cent of its resources. As a result it would need substantial increases in donor contributions. The role of the World Bank could be undermined, and lead to a drying up of its resources. In addition, the IDA would remain dependent on the domestic politics and interests of rich countries.

Secondly, the EU argues that with the obligation to repay their loans countries are likely to use the money more wisely. A loan thus holds a pedagogical value. Making countries pay back to the Bank instils discipline among borrowers and obliges them to care about how the money is spent.

Thirdly, maintaining the IDA as a lending institution promotes effective cooperation between donor agencies. In other words, everyone should do their own job. UN agencies give money, the IDA lends it on concessional terms. The IDA must then work in partnership with grant-making agencies and bilateral donors, and not in competition with them. ■

* Ph.D candidate and member of the European Union Center, University of Pittsburgh



Clare Short, UK secretary of state for international development

"We are firmly opposed to any suggestion that World Bank highly concessional loans should be converted to grants. Any move to change IDA loans to grants would undermine the effectiveness of IDA and its future financial integrity"

Economic Partnership Agreements a new chapter in EU-ACP trade relations

Despite 25 years of preferential market access for the ACP countries under successive Lomé Conventions, results have fallen short of expectations. The ACP share of EU imports has steadily decreased. ACP and EU countries have therefore recognised that market access alone is not enough. They have agreed that new, comprehensive trade arrangements are needed.

Martin Dihm*

These new arrangements have been baptised Economic Partnership Agreements (EPAs). They will address the problems in all the different areas relevant for trade. At the same time EPAs will be linked closely with development cooperation to support this process. Trade and development policies will work together to provide a powerful boost to ACP exports, investment and development.

Trade preferences have long been the cornerstone of ACP-EU trade relations. But not only has the ACP share of EU imports declined, the ACP countries also remain highly dependent on the export of a few commodities. So what lessons have been learnt from this experience?

Broadening the agenda

First, it is clear that tariff preferences or market access alone, while potentially important, are not sufficient in themselves to generate trade. They offer opportunities, but remain just opportunities if the beneficiary is not in a position to seize them. For example, what is the use of free market access if ACP exporters cannot produce to the required quality or deliver the volumes needed, or are simply not competitive because of high port and shipping costs? What is the use of theoretically free EU market access if ACP exporters cannot in practice comply with veterinary or sanitary rules?

ACP-EU trade cooperation has to be broadened to include everything relevant to trade – tariffs and non-tariff measures in the export markets, plus trade related areas, domestic policies and supply capacity aspects in the ACP countries.

Benefits to come

EPAs will build on regional integration initiatives that already exist between the ACP countries. They will lead to the gradual introduction of free trade areas between the parties. They will strengthen and deepen regional integration and therefore enlarge ACP markets. This will allow for economies of scale, will improve the level of specialisation, will reduce production and transaction costs and will help to increase ACP competitiveness. Most importantly it will help attract more investment to the ACP economies.

To be effective, EPAs will have to be closely interconnected with development cooperation under the Cotonou Agreement. EPAs will set a trade policy framework that needs to be complemented by development policies in a variety of areas. Trade and development policies will no longer be two separate sets of activities but will form one integrated and powerful instrument for progress.

EPA negotiations will be conducted with flexibility. It is true

that EPAs will lead to a restructuring of the economies involved. This is even necessary to improve trade performance. But this restructuring process must develop smoothly. It must take into account the economic and social constraints of the ACP countries concerned as well as their capacity to adapt to the new trading environment. So both schedules and means will, within the WTO rules, have to be tailored to the specific situation of the ACPs.



Where are we now?

Negotiations on the new arrangements will start on 27 September this year in Brussels. The Cotonou Agreement already provides (Title II) for the basic issues to be negotiated, but many details still need to be examined and clarified. The ACP countries are currently undertaking a series of studies on the implications of the negotiations and possible configurations. More studies and discussions will have to follow. EPAs will not be manna from heaven. Careful design is key. ACP countries and the EU will be in the difficult role of pioneers in their joint attempt to amalgamate trade and development policies. But, no doubt, this new recipe is our best shot if we want to see gradual integration of markets, investment, growth and poverty reduction. ■

On 9 April the Commission adopted draft negotiating directives for the economic partnership pacts envisaged in the Cotonou agreements

* European Commission
DG TRADE E/4 - ACP Trade Questions

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The ACP-EU Joint Parliamentary Assembly

On course in Cape Town

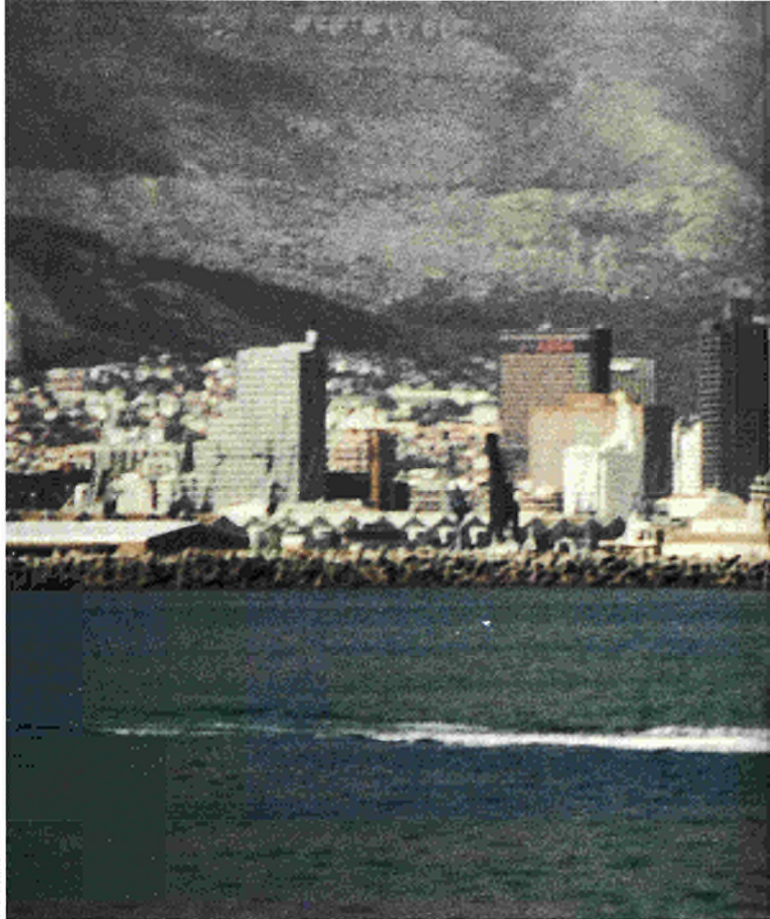
South Africa now regularly hosts international meetings, an indication of the level of integration between nations and its opening-up to the world since the end of apartheid. The world AIDS conference, the United Nations conference on racism and, later this year, Johannesburg will be the venue for the World Summit on Sustainable Development. South Africa's hospitality was much enjoyed by the parliamentary representatives of the ACP countries and the EU,

who chose it for their fourth Joint Parliamentary Assembly (JPA). Trade, democracy, the EDF (European Development Fund), sustainable development and many other topics related to the ACP-EU partnership provided much scope for discussion at this session which took place from 18 to 21 March in the splendid setting of Cape Town.

Kenneth Karl

Monday 18 March: the atmosphere of conviviality and fraternity reigning inside the Good Hope Centre between the various participants was quickly picked up in the formal presentations at the opening ceremony. Apart from welcome addresses by the host country and contributions from Spain's Secretary of State for European Affairs – Spain currently holds the Presidency of the European Union – and from the chairman of the ACP Council, two speeches were awaited with particular anticipation: those of the two newly-elected co-Presidents of the Joint Parliamentary Assembly (JPA), who preside over discussions within this forum for a nominal two-year term.

Adrien Houngbedji, President of Benin's national assembly, represented the ACP side and, from the very first words of his speech, he expressed the honour he felt at speaking for the first time before the Assembly and said he was moved to do so in South Africa, a land charged with symbols for the African continent and the world as a whole. ACP-EU cooperation, he said, is at a turning point in its history, given the ongoing ratification of the Cotonou Agreement, the "parliamentarisation" and modernisation of the Assembly, and the speeding-up of the globalisation process. Co-President Glenys Kinnock, a veteran UK Member of the European Parliament (MEP) and a familiar face at this forum for many years, began her mandate by stressing the growing role and credibility of the Assembly. She reminded her listeners that the JPA represents 600 million inhabitants, a fact that gives it the necessary democratic legitimacy to be a force in its own right. She called for a strengthening of the partnership which, in her eyes, would go far in



The Courier

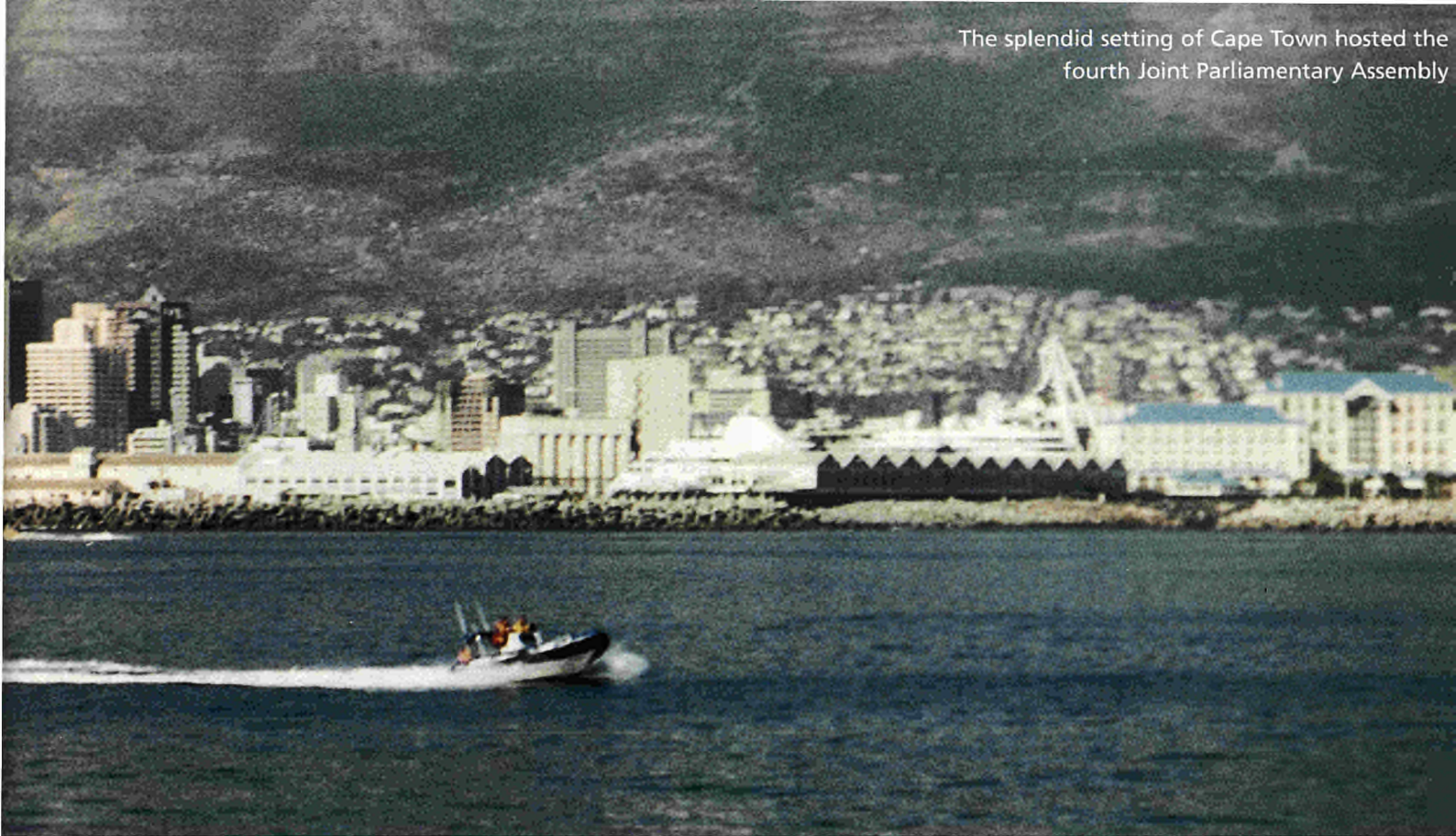
rectifying the imbalances and inequalities which exist between people.

Over the four days of discussions, the parliamentarians worked their way through the various topics in their programme, with certain subjects holding their attention more than others.



European Parliament

Glenys Kinnock, EU co-President: "With 600 million inhabitants, we can claim democratic legitimacy and be a force in our own right"



Calls for rapid ratification of the Cotonou Agreement

A legal formality essential to operational implementation of the ACP-EU partnership, the process of ratification of the Cotonou Agreement, signed in June 2000, is far from complete. Only four EU Member States and 40 ACP countries had, by March 2002, ratified the Agreement. Practically all parliamentarians present felt that this delay was a cause for concern, and called upon countries that had not yet ratified to do so without delay. Some participants, like ACP Council President Magnus Kpakol, referred during their speeches to the fact that two thirds of the ACP countries and all EU Member States must ratify the Partnership Agreement so that it can enter into force and, above all, so that financial cooperation under the 9th EDF can begin.

If ratification is achieved before the end of 2002, this would demonstrate the EU Member States' commitment to strengthening their links with the rest of the world, said co-President Kinnock.

Without ratification, the funds available under the 9th EDF could not be released, which would give rise to serious delays in implementation of the Cotonou Agreement. Management of the European Development Fund (EDF) was then discussed.

Towards more efficient management of the EDF?

Discussion at the Assembly of implementation of the EDF – principal source of ACP-EU cooperation financing – revealed a great divergence of views between parliamentarians and the Commission, which is responsible for managing this instrument. After a clear and concise description of the functioning and specific operational aspects of the EDF, Giorgio Bonacci, Director-General of the new European agency "EuropeAid", gave figures showing the Commission's recent efforts to improve aid delivery. The good results obtained were less than what should be achieved, he recognised, because satisfactory implementation of the 9th EDF required an annual commitment of between €3-4 billion. He then gave an overview of the

reform of foreign-aid management, such as the harmonisation and simplification of procedures, the closure of dormant projects, decentralisation of project and programme management, and efforts to increase coordination and coherence. During the discussions, a number of parliamentarians stressed the need for the EDF to be included in the Community budget, a recurrent theme and one always to the fore in a forum where members' natural prerogatives are budgetary in nature. Nirg Deva, a UK MEP, also lamented, in this respect, the Assembly's inability to fully play its fundamental role of monitoring the budget. Others, such as Musikari Kongo (Kenya), Lone Dybkjaer (Denmark), and Gado Boureima (Niger), called for the Assembly to be given more information in the future on projects and programmes so that they could exercise greater control over them. Cumbersome administrative procedures and tardiness in implementation procedures led certain participants, like MEP Joachim Miranda (Portugal), to call for better definition of priorities in the future with a view to cutting down on delays.

And what of the future of democracy in the ACP countries?

As is customary at this Assembly, groups of parliamentarians examine two, or perhaps three reports dealing with problematic aspects of cooperation. The preliminary report on democratisation in the ACP countries was by its very subject matter, of great interest to delegates. There was full support for strengthening the political dimension of the ACP-EU partnership as envisaged by Cotonou and for seeking a more productive political dialogue. Contained in the text of the Agreement as an essential element of cooperation, democratisation in the ACP countries is progressively following its course, but its undoubted successes have been tempered by some failures. The report presented by Abakaka Alhadj, a delegate from Chad, firstly gave a review of progress achieved in implementing democratic principles in the ACP regions and countries. The report examined

the main obstacles to democracy and identified the challenges still to be met. In the 1990s, there were still doubts as to whether democracy was a positive solution, but nowadays the need for a democratic system has been acknowledged and debate now concentrates on its implementation and viability.

The report looks at the reservations about certain aspects of the political dialogue, particularly the timeliness and relevance of sanctions. A number of ACP delegates advocated a course of action to attack the causes of the "democratic deficit", not just its symptoms. According to John Bowis, a UK MEP, democracy must be defended wherever it is at risk. The ACP countries must regard themselves as the "guardians of democracy", he added, calling for the adoption of more intelligent sanctions when sanctions are required. According to French delegate Dominique Souchet, regional or municipal elections must not be neglected, because they are genuinely "nurseries" of democracy.

Consultations aimed at supplementing and finalising the report are due to take place in the ACP countries between the various political and social stakeholders. The document was regarded as an excellent basis for pursuing discussions on this topic, with a view to improving the political dialogue – a political dialogue once again tested during debate on the situation of certain ACP countries, such as Zimbabwe.

Zimbabwe on the blacklist

In the wake of presidential elections that many in the international community regard as questionable, it was no surprise that the case of Zimbabwe should generate much debate. Firstly, the Zimbabwean deputy Paul Mangwana spoke, maintaining that the elections saw a victory on the part of President Robert Mugabe of 56.2 per cent of the vote as against 42 per cent, with approximately three million electors having voted. The outcome of the election was in his eyes a reality, and he called upon the international community to support the process of national reconstruction. Far from sharing these views, a number of delegates contested the result and had no hesitation in expressing their disquiet. On behalf of the Green Party, MEP Nelly Maes (Belgium) stated that elections organised against an electoral background marked by terror and human rights violations could in no way be considered free and fair. Britt Theorin (Sweden) went so far as to claim that she had irrefutable evidence of torture, intimidation and violation of democratic principles. L.J. Longwe, a representative from the opposition MDC party, stated that his party simply could

not accept the results of elections so marked by irregularities. According to a member of the group of South African parliamentary observers, there was a clear and undeniable violation of human rights. Several delegates went on to call for sanctions against Zimbabwe and its expulsion from the Commonwealth. John Corrie, outgoing co-President and new honorary president of the JPA, expressed his concern at the situation in Zimbabwe and, above all, at the risk of destabilisation in the region.

To conclude, the Assembly, in a secret vote, adopted a resolution on Zimbabwe with 68 votes in favour, two votes against and two abstentions. It praised Zimbabwe's one-year suspension from the Commonwealth and called for the application of intelligent sanctions. The Assembly also expressed its hope that new elections would be organised as soon as possible under the aegis of the international community, inviting the Zimbabwean government to work towards the setting-up of confidence-boosting measures aimed at national reconciliation. The vote on the Zimbabwe resolution was, however, a source of misunderstanding regarding specific points in the rules of procedure. The Assembly also examined the case of regions or countries, such as Madagascar, where political stability is under threat.

NEPAD at the place of honour

The New Partnership for Africa's Development (NEPAD) was set up in 2001 on the initiative of certain African heads of state. Invited to this fourth JPA, the Assistant Director of the steering committee, Smunda Mokoena, gave a presentation of NEPAD to delegates. He said that the main objective of this new initiative was to extract Africa from the vicious circle of poverty and to end its marginalisation, through promoting its integration into the global economy, building a partnership between Africa and the world and also between Africans themselves. Peace, security and the stability of the African continent were foremost amongst the initiative's priorities alongside education, infrastructures, regional integration, the reinforcement of capacities, health and, above all, better political and financial governance. An action plan for implementing these intentions is currently in draft form and will be presented at the forthcoming African Union summit, which is to take place in July 2002.

A number of delegates praised the initiative, and called upon Europe to support it. South African delegate Rob Davies expressed satisfaction with the control mechanisms envisaged in the action plan, but above all with the democratic principles underpinning the programme. Mr van den Berg (Netherlands) expressed the wish that NEPAD should





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Adrien Houngbedji ACP co-President
 "The Joint Parliamentary Assembly is at a turning point in its history"

not be solely a programme of "leaders" but should rapidly become a programme "of the people". A delegate from Mali, Assarid AG Embarcouane, hoped that the enthusiasm currently engendered by NEPAD would not dissipate. In a resolution adopted after its discussions, the JPA applauded the creation of NEPAD, expressed willingness to support it, and called upon international representatives to go beyond rhetoric and to genuinely cooperate with the initiative. A formal request was made to the European Commission to submit a report on this subject when the Assembly next meets.

Trade now more than ever in the news

Make a note of the following date: 27 September 2002. This will mark the official launch of ACP-EU negotiations on the definition of the new commercial framework – not a simple task from the problems that have arisen during the preparatory sessions. Protagonists will have to demonstrate technical skill and political courage, and sacrifices will have to be made on both sides. The process involves devising a system which responds not only to the demands of development, and to the constraints and needs of globalisation, but which is also compatible with international rules – all whilst preserving the special nature of the ACP-EU partnership. The problem is a complex one and a solution will undoubtedly not

be easy to find, and for this reason the JPA intends to play a major role during negotiations. A number of delegates referred to the need for the JPA to remain vigilant. For Mr Ramoter (Guyana), the contribution of trade to poverty reduction should not be underestimated, and for that reason there will be a need to be vigilant, to ensure that the new trade agreements do not produce the opposite of the desired effect. The ACP countries face a dilemma: they have to choose between losing market access and the privileged links they enjoy with the EU and accepting the negotiation of agreements on the basis of inflexible rules, said Edwin Laurent (St Lucia). According to French delegate Didier Rod, Europe must be less selfish, and he went on to criticise the Common Agricultural policy: an obstacle to ACP exports, in his view.

Replying on behalf of the Commission, Mr Theodorakis, Deputy Director-General (Development Directorate), stressed that the Commission would soon adopt a position on the negotiating mandate. He pointed out that the trade agreements must be compatible with WTO rules and must support integration between the ACP regions and countries. With the "Everything but arms" initiative, the EU had demonstrated its willingness to open up its markets. Moreover, the Commission had adopted a number of measures aimed at strengthening the national and regional institutional capacities of the ACP countries and of their secretariat.

The JPA also ran its customary workshops, dealing with three main topics: migration, sustainable development and education. Delegates also examined the draft report by Mr Edgar-Yves Monou (Benin) on the Assembly's rules of procedure and issues relating to parliamentary standing committees.

The Joint Parliamentary Assembly is determined to increase its role in improving the ACP-EU partnership. Once again, in South Africa, it demonstrated that it was indeed on course. ■

Resolutions adopted by the 4th Joint Parliamentary Assembly

- On the situation in West Africa
- On the situation in Central Africa and in the African Great Lakes region
- On the situation in Southern Africa
- On the situation in Madagascar
- On the situation in Zimbabwe
- On the situation in Eastern Africa
- On the Caribbean region
- On ACP-EU trade negotiations, rules of origin and sanitary and phytosanitary measures
- On the New Partnership for African Development (NEPAD)
- On stagnation in the banana, rice, etc. production sectors
- On the impact of infectious diseases on health, young people, the elderly and the disabled
- On sustainable development and Rio + 10
- On the forthcoming ACP-EU trade negotiations



The Courier

African Development Forum

Regional integration now more than ever on the agenda

ADF III (the third African Development Forum) took place from 3-8 March in Addis Ababa, organised for the third consecutive year by the Economic Commission for Africa (ECA). The Forum addressed issues relating to regional integration, which, because of the forthcoming launch of the African Union at a summit in Pretoria in July, is now once again to the fore. ECA experts have spent a year examining the track record of the Regional Economic Communities (RECs) and are attempting to identify which aspects of integration should be prioritised for the process to succeed, and how it can be speeded up.

Augusta Conchiglia

The Regional Economic Communities are to be the pillars of the economic and monetary union referred to in the Constitutive Act of the African Union. The ECA and the African Development Bank (ADB) are being called upon to play a special role in speeding up regional integration. The ECA, headed since 1998 by Mr K.Y. Amoako, has the task of producing an annual report on the evolution of existing economic communities. The first Report on Regional Integration in Africa (ARIA) will be launched during 2002 (ARIA 2002), and was publicised in Addis Ababa. The ADB will concentrate on strengthening regional institutions, harmonising macroeconomic policies, trade liberalisation and financing multinational projects.

Some countries are still rather nervous about a complete liberalisation of intra-Community trade. They express reservations about its effects, such as the reduction in customs duties or the loss of sovereignty implied by membership of regional communities. Among the obstacles the integration process will have to overcome are small countries' fears of being overwhelmed by their more powerful neighbours looking after their own interests, or that regional integration will proceed at a pace imposed by economically better-off countries.

What is holding integration back?

The preliminary ARIA 2002 report paints a complex and sometimes contradictory picture of actions on the part of the 14 existing regional groupings. On average, only 10 per cent of exports of countries which are members of RECs are to their community co-members. With the impetus provided by South Africa, member states of the South African Development Community (SADC) achieve the highest levels of intra-Community trade: 31 per cent for exports and 24 per cent for imports. Mauritius and Zimbabwe, also members of the SADC and whose economies are export-based, contribute to these figures. In reality, levels of trade were

high even before the entry into force, in September 2000, of the protocol on commercial transactions within SADC, which provided a further boost. Many SADC members are also members of the Common Market for Eastern and Southern Africa (COMESA), which had already introduced significant measures in the field of tariff reductions, for example.



Adebayo Adedeji, former ECA Executive Secretary

UNECA Photo: Antonio Florento

Next, there is the Economic Community of West African States (ECOWAS), with 17 per cent of intra-Community trade. The trade-liberalisation programme, which abolished customs duties on traditional and craft products, gave a boost to trade, but results are nevertheless disappointing, given the length of time (27 years) that the organisation has been in existence.

Without taking account of trade within the Economic Community of Sahel-Saharan States (SIN-SAD) – which mostly arises out of previous relationships between its members and not because of the organisation itself – COMESA occupies third place in terms of exports (9.3 per cent of the total is between Community members) and imports (12.8 per cent). But these are modest results given the number of measures aimed at promoting trade adopted by the 20-member strong regional organisation (in Southern, Eastern and Northern Africa).

Of course, such figures conceal the informal trade in traditional products which sometimes achieves levels higher than those which show up officially on the books. Yet, with few exceptions, intra-Community trade in manufactured goods is still very limited.

“The reason why regional integration has not succeeded in the past is that we have been incapable of transforming and diversifying our economies,” says Adebayo Adedeji, former ECA Executive Secretary. “Our countries’ economies still depend today on the same products as 20 or 30 years ago. We still do not convert our raw materials, and efforts after independence to diversify simply fizzled out. During the 1980s, we experienced a de-industrialisation process: in the mid-1970s, manufacturing industries accounted for

12 per cent of GDP, but this figure is now only 5 per cent. If South Africa is taken out of the equation, the figure is much lower still.”

A staunch defender of regional integration, Mr Adedeji considers that African governments are directly responsible for the delay. “Firstly because integration at a physical level – the construction of infrastructures, etc – has not generally been thought of as a genuine priority or been included as an item in national budgets. Cross-border projects have therefore rarely been fully implemented, which, I might add, reveals a certain lack of ability to create the conditions for sustainable development.”

This state of affairs is also the result of insufficient political integration: “For cooperation to genuinely succeed, there must be a shared vision, shared values and shared economic programmes”, he stresses, adding that, in his opinion, “there are too many regional institutions. Cooperation bodies need to be rationalised, but there is too little willingness on the part of African governments to conceive supra-national powers, even on a limited scale”.

The advantages of regional integration

Lessons drawn from other regions of the world, the ECA stresses, “demonstrate that this is primarily a political process based on the principle that sovereign interests are better supported by regional action”. But regional integration in Africa will be different from that of Europe, the Americas or East Asia: “it will be South/South integration involving under-industrialised economies generally based on agriculture, in which intra-regional trade plays a negligible part”. If integration is to succeed it will therefore be essential for the economically better-performing African states to become “the driving force behind regional communities, taking the less affluent countries with them”.

Alan Gelb, chief economist, Africa region, at the World Bank, points to the risks of economic polarisation. At least initially, some countries will profit more from integration than others. Professor Ali Al-Agraa wholeheartedly agreed, adding that implementation of the New Partnership for Africa’s Development (NEPAD), which should attract significant foreign investment, will accentuate this phenomenon. Professor Ali Al-Agraa, who presented a study on the way in which the European Union functions, called upon the African Union to devise voluntarist measures providing the most deprived regions and countries with development aid of the type granted by Brussels within the framework of the Structural and Cohesion Funds. He pointed to the effectiveness of this policy, quoting, in particular, the case of Ireland, which has received this kind of aid since 1993 (together with Greece, Portugal and Spain) and which now has the highest growth in the EU. But certain states doubt that Africa is capable of organising such transfers between member states.

The priority given to the setting-up of infrastructures, with a view to increasing the pace of regional integration, found unanimous support; inequality of access to services and to infrastructures is more marked in Africa than anywhere else in the world. When they do exist the services provided are often of poor quality. This poor quality of infrastructures and services also explains the difficulty Africa has in attracting significant inward



K.Y. Amoako, ECA Executive Secretary since 1998

UNECA Photo: Antonio Fiorente



UNECA Photo: Antonio Fiorentile

ADF III, Addis Ababa, organised by the Economic Commission for Africa, addressed issues relating to regional integration

investment.

To conclude, the Forum encouraged an acceleration in the rate of integration, calling for measures such as convergence of budgetary and monetary policies, and of macroeconomic policies, which would increase the benefits of regional cooperation and encourage private investment. The exploitation at regional level of certain cross-border natural resources, such as water, but also including hydrodynamic energy, natural gas or petroleum, would also appear to be highly desirable. The Forum's conclusions insist on protection and monitoring of the environment, for which increased regional cooperation is a prerequisite.

A recurrent and highly sensitive issue which arose during the Forum is also mentioned in its concluding document: the free movement of labour and capital. This would promote cooperation and investment within

The proliferation of regional organisations

Africa currently has 14 Regional Economic Communities (RECs), which are distinguished by their conception, extent and objectives. Seven of them dominate the integration scene:

Arab Maghreb Union (AMU): Morocco, Algeria, Tunisia, Mauritania, Libya.

Common Market for Eastern and Southern Africa (COMESA): Angola, Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe.

Economic Community of Central African States (ECCAS): Burundi, Cameroon, Central African Republic, Congo-Brazzaville, Democratic Republic of Congo, Equatorial Guinea, Gabon, Rwanda, São Tomé & Príncipe, Chad.

Economic Community of West African States (ECOWAS): Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo.

Southern African Development Community (SADC): Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe.

Inter-Governmental Authority on Drought and Development (IGAD): Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan, Uganda.

Economic Community of Sahel-Saharan States (SIN-SAD): Burkina Faso, Central African Republic, Djibouti, Egypt, Eritrea, Gambia, Libya, Mali, Morocco, Niger, Nigeria, Senegal, Somalia, Sudan, Chad, Tunisia.

Six other RECs are geographically less extensive or are sub-units of larger RECs:

West African Economic and Monetary Union (WAEMO): Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau (12 May 1997), Mali, Niger, Senegal, Togo, all of which are also members of ECOWAS.

Mano River Union (MRU): Guinea, Liberia and Sierra Leone, all of which are also members of ECOWAS.

Central African Economic and Monetary Union (CAEMU): Cameroon, Central African Republic, Congo-Brazzaville, Equatorial Guinea, Gabon, Chad, all of which are also members of the ECCAS.

Economic Community of the Great Lakes Countries (CEPGL): Burundi, Democratic Republic of Congo, Rwanda, all of which are also members of the ECCAS.

East African Community (EAC): Kenya, Tanzania, Uganda.

Indian Ocean Commission (IOC): Comoros, Madagascar, Mauritius, Réunion, Seychelles, four of which are also members of the COMESA and the SADC.

Southern African Customs Union (SACU): Botswana, Lesotho, Namibia, South Africa, Swaziland, all of which are also members of the SADC and two of which are also members of the COMESA.

Most countries are members of two or more groupings.

Source: ECA

Africa, encouraging "African countries to abolish restrictions on travel and the right of establishment".

Finally, the spotlight was turned on the importance of strengthening existing regional negotiating mechanisms to enable Africa to take an effective part in the global commercial system, especially in the wake of Doha and the ACP-EU Cotonou Partnership Agreement. A region-

al approach is also the most suitable for finding a solution to Africa's debt crisis. The document presents a solid basis for discussion. The next step will be Pretoria in July. ■

An effervescent atmosphere

Speaking from the platform, Mr Salim A. Salim, former OAU Secretary General, commented that "it is rare to attend such a free debate in an international institution". The presence of a number of African NGOs and independent figures meant that the conference was unaffected by the usual constraints. Some participants expressed their criticism of certain actions of African governments, such as the unsuitable nature of economic policies or the limits of democratic reforms without contorted diplomatic formulae. The more acerbic the criticism, the warmer the applause. A standing ovation was reserved for the final session, after the summing-up presentation by Nobel Literature Laureate Professor Wole Soyinka, who denounced autocracies and pseudo-democracies, the theocratic tendencies of his fundamentalist compatriots in the north of Nigeria, and regimes that plunder their nation's coffers.

Meles Zenawi, Jacob Zuma: "Defending our own vision of development"

In a reflection on the future of the African Union, the NEPAD and the strategic choices African countries now have to make, Ethiopian Prime Minister Meles Zenawi raised a number of fundamental issues. Firstly, "the vital importance for Africa to take back responsibility for its economic policy and to develop its own vision of development". He went on to say that "NEPAD is a first step in the right direction. In most African countries, the economy is now shaped by Washington-based financial institutions, which, to a degree, makes it easier to seek a common strategy aimed at greater autonomy of choice. Lessons have to be drawn from the experience of Asia, which has been able to set up close, effective collaboration between the government and the private sector. Rural communities must enjoy more than a mere subsistence economy, even if this requires subsidising agriculture. To achieve this, we need a strong State, and the rule of law to impose the rules of modern capitalism, collect taxes, combat corruption and guarantee transparency". In his opinion, the liberal model, which consists of "leaving the market to make the rules", does not work in Africa: "We have to reconstruct a strong State in order to push through reforms and to relaunch the economy with the emphasis on regional groupings, but also a listening State able to work with civil society".

South African Vice-President Jacob Zuma, who took part in the debate with the Ethiopian Prime Minister, emphasised the urgent need for strengthening Africa's international negotiating capacity to enable it to take part in shaping the world economy within the World Trade Organisation (WTO) and other international institutions, adding that "together, we have to defend our agricultural interests, harmonise our views at regional and continental level, and assert them on the international scene. That is what the African Union should also be used for". He was confident that, over the next 10 years, "distances between African regions and between countries will diminish. We will begin to act collectively and the African peoples will then truly feel that they belong to the same continent".

In a previous contribution, Ambassador Vijay S. Mankhan, OAU Assistant Secretary General, warned against a repetition of the shortfalls or errors of the past: "The OAU already had a body that negotiated with the WTO but it was unable to fulfil its role because of the weak support provided by member states". He added that, in the future, "the challenge will be not so much one of creating the infrastructure of the African Union – which is increasing from four to 17 bodies – but more one of ensuring they function and, above all, of working towards a specific target so that all our peoples can be brought together, showing them what is going to change, the advantages a continent-wide Union will bring to ordinary citizens, etc.". Vijay Mankhan hoped that member states' arrears to the OAU, estimated at \$55 million, would be paid up as soon as possible.

Algerian President Abdelaziz Bouteflika, in a speech sent to the conference, stressed the need for concrete actions, asserting that "the credibility of the African Union's approach lies principally in the ability to conceive successful joint projects covering human development, infrastructures, the production of goods and the provision of services. This is worth infinitely more than a continued increase in agreements of all kinds that are only half-heartedly applied", because "in the field of economic cooperation and integration Africa has greater need of case-law and precedent than of law".

A.C.

EU-Latin America, Caribbean

Madrid to take up where Rio left off

On 17 and 18 May 2002, Heads of State and Government meet in Madrid for the second Summit of the European Union (EU), Latin America and the Caribbean (LAC). For the partner countries this is a chance to develop existing relations in line with individual progress and to build on the common foundations laid at the Rio de Janeiro Summit in 1999. For the 15 EU Member States, the Madrid Summit is also an opportunity, following successful negotiation of the free trade and partnership agreements with Mexico and Chile, to accelerate negotiations for a similar agreement with Mercosur (South American Common Market, composed of Brazil, Argentina, Uruguay and Paraguay, plus Chile and Bolivia as associate members). The aim is to strengthen political relations and promote increased trade. The Latin American and Caribbean countries, including Cuba, have expressed on several occasions their desire to strengthen relations with Europe, to counterbalance their relations with the US.

François Lefèbvre

After preparations spanning well over a year, the partners reached consensus on the key themes for discussion in Madrid. Four major topics have been identified: democracy and security, multilateralism and regional integration, social equity and sustainable development, and cultural diversity and modernisation. These topics were selected to follow on from Rio. The Rio Summit in June 1999 was the first such meeting of Heads of State and Government of the EU and the Latin American and Caribbean countries. Together they resolved to establish a solid partnership through which political, economic and cultural dialogue would be encouraged, and relations between the regions strengthened. Now, three years on, the second EU-LAC Summit will assess progress made since Rio and attempt to strengthen the political and economic partnership, notably by accelerating negotiations to secure an inter-regional association agreement between the EU and Mercosur. Similar negotiations for free trade and partnership agreements with Mexico and Chile recently met with success.

What progress since Rio?

In the three key areas of cooperation, a number of bridges have been built. On an institutional level, foreign affairs ministers from the partner countries now meet once a year, whilst a group of senior officials get together on a regular basis to evaluate the partnership's progress.

Meanwhile, free trade agreements have been successfully concluded between the EU and Mexico, and the EU and Chile, and negotiations seeking to liberalise trade with Mercosur are in full swing. The ACP members of Cariforum (Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, the Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Suriname and Trinidad and Tobago), will be able to count on special trade-related technical assistance, as provided for in the Cotonou Agreement signed with the EU in June 2000. More specifically, the Agreement provides for the progressive removal of barriers to trade between the two regions and the stepping-up of cooperation in all areas relevant to trade.

A number of specific cooperation programmes have also been launched in connection with university and higher

education, companies, professional associations, sustainable urban development, the combating of drugs and AIDS prevention. The most recent projects include a programme of support for ombudsmen in Latin America, including exchange initiatives between the partner countries' institutions, for the protection of human rights (lawyers, judges, etc), and @LIS (Alliance for an Information Society), a programme set up to encourage exchanges of experiences on regulatory issues and standards in the Information Society and the implementation of pilot projects in the fields of local governance, health, education and combating social exclusion. Such initiatives have given civil society the chance to participate in numerous forums geared towards businessmen, universities, NGOs, and economic and social committees in the regions concerned.

And what of development?

The United States may be the biggest player in the region, but the role of leading donor lies with the EU. In addition to the contributions from the Member States, the Union budget for Latin America since 1996 is around €500 million a year. Furthermore, through the European Development Fund, the Member States finance cooperation projects to the tune of €81 million a year on average in the Caribbean. Between 1976 and 2001, the EU's aid to the region totalled €2.041 billion. All countries taken into account, the main sector to benefit from this aid is the social services sector, followed by education and health and financial services. On top of these grants, South America and the Caribbean benefit from numerous loans from the European Investment Bank (EIB). In this way, the EIB contributes to financing investment projects of mutual interest to the countries of the EU and Latin America, in sectors such as industry, telecommunications, energy, water, sanitation and transport. In 2000, for example, €365.20 million was allocated to operations in Argentina, Brazil, Panama and Mexico. In the Caribbean, the EIB provides financial support largely to SMEs, infrastructures and the energy sector.

The Madrid Summit seeks to give new impetus to the partnership set up in Rio between the partner regions, including in the field of development cooperation. There is a great deal at stake here and expectations are high, espe-



Time for the official photo in Rio de Janeiro in June 1999. Forty-five Heads of State were there for the first EU-Latin America, Caribbean summit

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cially since the Summit of the Americas, held in Quebec in April 2001. At the end of that meeting, 34 North American, Central American, South American and Caribbean countries confirmed the launch of the Free Trade Area of the Americas (FTAA), to take place no later than December

2005. As things stand at the moment, only Cuba wants no part in the process. The EU and the western hemisphere countries – both ACP and non-ACP – are also hoping that Madrid will be a chance to reinforce their agreements. ■

Events organised in the margins of the Madrid Summit

The Madrid Summit has provoked a whole series of meetings and initiatives involving both government and civil society representatives.

EU-LAC Ministerial Conference on Science and Technology

20-22 March 2002 / Brasilia (Brazil)

ALCUE – REALC : EU-LAC cooperation network on science and technologies

EU-LAC Ministerial Conference on Information Society

25-27 April 2002 / Seville

Spain-European Commission-AHCIET (Asociación hispanoamericana de centros de investigación y empresas de telecomunicaciones)

The European Social Model and Social Security reform processes

13-15 May 2002 / Valencia, Spain

Academic seminar on Social equity

14-15 March 2002 / Barcelona

RECAL (Red de Cooperación Euro-latinoamericana)

Euro-Latino-American and Caribbean Civil Society Forum

3-5 April 2002 / Alcobendas

ALOP – Latin American Association of Development Organisations (Asociación Latinoamericana des Organizaciones de Promoción)

2nd Meeting of Organised Civils Society Europe-Latin America-Caribbean

17 -19 April 2002 / Madrid

European Economic and Social Committee (ESC)

Intercontinental Meeting (EU-LAC) on Human Rights Protection

24-25 April 2002 / Madrid

Defensor del Pueblo de España (Ombudsman). Co-financed by the EC

Business forum

25-26 April 2002 / Mexico

COPARMEX-CONCAMIN (Organisation of Mexican companies), UNICE (Union of industrial and Employers Confederation's of industries of Europe), co-financed by the EU

Euro-Latin American Bishop's Conference

13-15 May 2002 / Madrid

COMECE (Commission of the Bishops' Conferences of the European Community)

Cultural Forum

16 May 02 / Madrid, Spain



Affi N'Guessan, Côte d'Ivoire's Prime Minister and Poul Nielson, the Commissioner responsible for Development and Humanitarian Aid

A new start for EU-Côte d'Ivoire cooperation

Greatly reduced since the 1999 coup d'état, EU-Côte d'Ivoire cooperation is now fully back on track. After over a year of consultations and in-depth political dialogue, EU aid, which had been restarted progressively, is now shifting into higher gear.

François Lefèbvre

Côte d'Ivoire will be allocated €264 million under the 9th European Development Fund (EDF), and how this funding will be used is now under discussion. Nevertheless, the EU remains vigilant, and is insisting that the Ivorian authorities maintain their policy of national reconciliation and democratisation of the country.

Up to the beginning of the 1990s, Côte d'Ivoire was regarded as Africa's showcase. The top cocoa-producing country, it was Europe's principal trade partner in French-speaking Africa and the economic driving force of West Africa. However, as the last decade dawned, the previously well oiled machine jammed. The fall in cocoa prices, devaluation of the CFA franc, the beginning of Henri Konan Bédié's presidency, crises in Sierra Leone and Guinea, together with the increase in Nigeria's influence and the reorientation of French aid, brought the country to its knees. Just before General Gueï took over power in 1999, the State coffers were empty. Côte d'Ivoire's stability was the next "constant" to crumble. Four forcible takeovers followed in the wake of Robert Gueï's putsch. The concept of "ivorité" – Ivorian-ness, bringing those whose origins were in Côte d'Ivoire into conflict with those who were Ivorian by foreign parentage or circumstance – was fully exploited for political ends. Although foreign-national residents and those of foreign ancestry represented 30 per cent of the country's population, xenophobia became part of political discourse, legitimising racist acts of violence. The shock-wave was to continue until the arrival in power of President Gbagbo, with serious rioting breaking out soon after the elections. The country of "peace" and "wisdom" paid for its elections with hundreds of lives, a mass grave having been discovered in Abidjan.

Dialogue and vigilance

After the 1999 coup d'état and the events of 2000, the EU implemented sharp cutbacks in its aid. In June 2000, the EU called for the start of consultations with Côte d'Ivoire and the setting-up of a political dialogue, making the necessary conditions for the recommencement of aid perfectly clear. This procedure is required under the Cotonou Partnership Agreement when essential aspects of the Agreement are not respected: in this case, human rights, democracy and good governance. As dialogue went on, European aid was progressively channelled back to Côte d'Ivoire, with €25 million released since June 2001. Budgetary aid of €100 million is programmed for 2002 and a package of €264 million is envisaged under the 9th EDF. How these funds will be used between now and 2007 is currently the subject of bilateral discussions.

During his meeting with Côte d'Ivoire's Prime Minister, Affi N'Guessan, in Brussels in March 2002, Development Commissioner Poul Nielson encouraged the Ivorian government to maintain its policy of national reconciliation, and offered the services of the Commission to support the organisation and observation of local elections scheduled for July 2002. He nevertheless insisted that the government should not lose sight of issues concerning the position of foreign nationals in Côte d'Ivoire and the campaign against impunity. To put it plainly, reconciliation, political dialogue with all parties, the neutrality of the justice system and the continuation of legal enquiries into abuses of power are still matters of concern to the international community. How these sensitive issues are addressed will have an undeniable influence on EU-Côte d'Ivoire relations and therefore also on European aid. Ultimately, now that coups d'état seem to be a thing of the past, the principal risk currently threatening the country's cohesion is the increasing impoverishment of the population, particularly in rural areas. ■

How the new funds will be used

"I am pleased to announce the full and complete resumption of cooperation between my country and the EU", Côte d'Ivoire's Prime Minister told journalists with obvious satisfaction, after a working meeting on Friday 15 March 2002 with Mr Poul Nielson, European Commissioner for Development and Humanitarian Aid. For the period from 2002 to 2007, the EU has earmarked a financial package amounting to €264 million for Côte d'Ivoire under the 9th EDF (European Development Fund). Negotiations between the two parties will be held to establish which projects will be financed under the NIP (National Indicative Programme), which is due to be signed in December 2002.

Côte d'Ivoire's Prime Minister, Affi N'Guessan, announced that the new credits granted by the EU would be used principally for rural development, good governance, the social sector, education and health. The anti-AIDS campaign is also one of the Ivorian government's priorities. The package granted by the EU will also fund reforms to promote the private sector. In this regard, the Prime Minister highlighted the size of the internal debt - his government intends to commit 104 billion CFA Francs to pay off part of this debt in order to boost economic activity.

The Commission has proposed to Member States that the remaining funds (€36 million) in the 8th EDF package should be released. Implementation of these funds had been restricted in the wake of the 1999 military coup d'état. Normalisation of cooperation between the two parties will also allow the €49.5 million

decentralisation programme to be relaunched. Côte d'Ivoire can also count on receiving €75.5 million in funding under STABEX: these funds will be released progressively in 2002 and 2003. This year, the EU has decided to finance two macroeconomic support programmes, one for €12.8 million and the other for €40 million. Finally, a three-year programme to support human rights and media non-governmental organisations (NGOs) is to be launched in the near future with EU financial backing.

Regarded as a prerequisite by most international donors, and particularly by the International Monetary Fund (IMF) and World Bank, for the recommencement of flows of aid to Côte d'Ivoire, renewed cooperation with the EU should enable that country to consolidate its stability and growth. ■

World's biggest cocoa producer visits the chocolate capital

The first World Cocoa and Chocolate Fair was held at the Brussels Exhibition Centre on 14-17 March 2002. For four days, the revered "world chocolate capital" was the venue for meetings and exchanges between the principal cocoa-producing countries from Africa, Latin America, and Asia, and the various sectors of the chocolate industry. Côte d'Ivoire, the world's leading cocoa producer, took advantage of this event to launch a cocoa promotion campaign.

"While Côte d'Ivoire is the home of cocoa, Belgium is without doubt the home of chocolate," began François-Xavier De Donnée, Minister-President of the Brussels-Capital region, at the fair's opening ceremony. The Ivorian Prime Minister, Affi N'Guessan, reminded everyone that his country produces over one million tonnes of cocoa per year, supplying 45 per cent of the world market. Of Côte d'Ivoire's 15 million people, six million depend on cocoa for a living. This is one of the reasons why the country was so well represented at this world fair. Thirty-eight of the 54 Ivorian representatives were economic operators, including cocoa farmers. For the Ivorian government, the Brussels fair was the ideal opportunity to launch a massive marketing campaign with a view both to promoting cocoa, its primary product, and to boosting the external image of the country. This image had been tarnished by events in 1999 and 2000, the suspension of cooperation with the EU and the thorny issue of slavery on cocoa plantations.

Indeed, according to UNICEF, more than 15,000 children from Mali are being exploited on plantations in neighbouring Côte d'Ivoire, to the increasing concern of several NGOs. Information-gathering missions were carried out there recently, leading to damning reports for Abidjan, and heralding the threat of a boycott on Ivorian cocoa by some countries. Denouncing these reports, Affi

N'Guessan declared that such slavery did not exist. He did add, however, that some of the former agricultural workers from the Sahel who had become independent farmers bring in children as part of their labour force and stressed that a system had been set up to control the movement of children across borders.

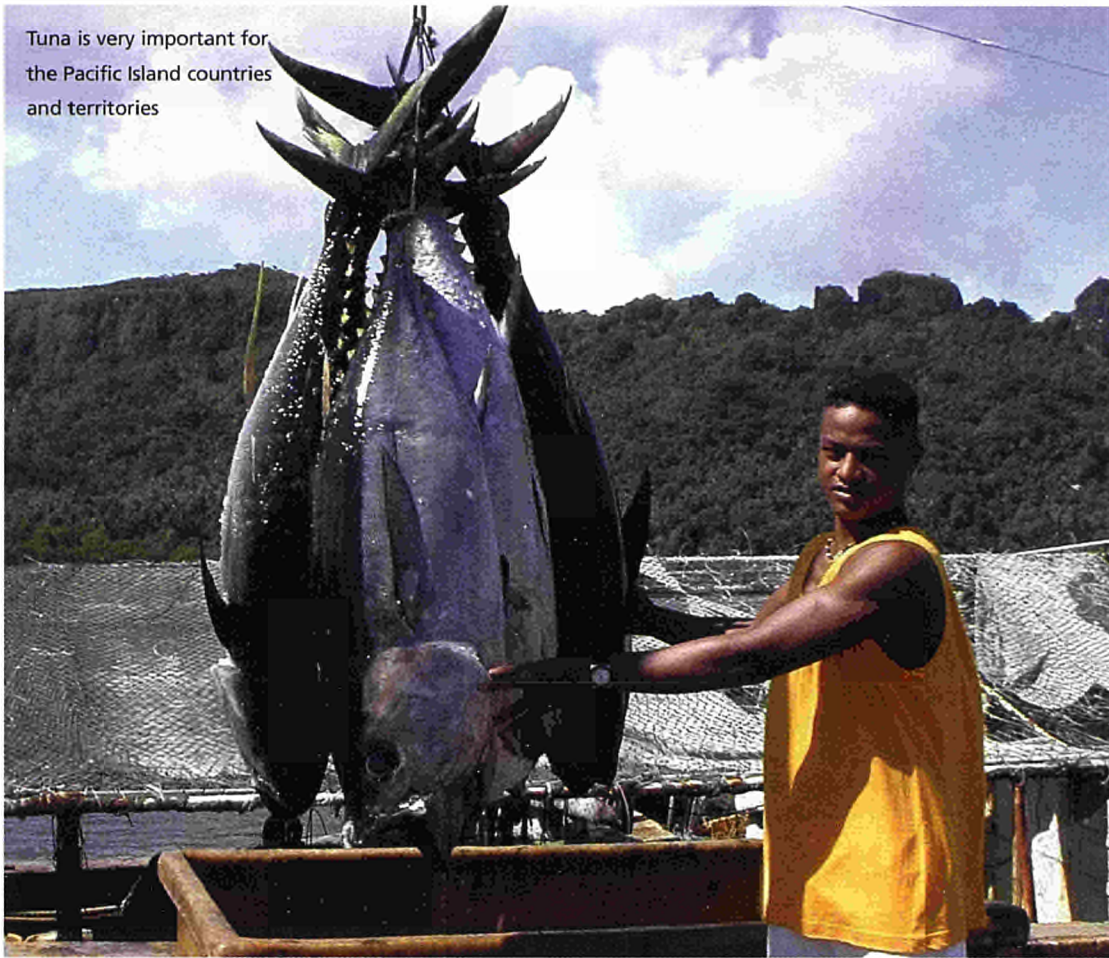
The Ivorian government is also worried about the severe social and economic consequences that could result from the application of the European directive authorising the inclusion of five per cent of fat other than cocoa butter in the make-up of chocolate. It fears a fall in demand for the cocoa bean, which would lead to a drop in its value on the world market, and thus in Côte d'Ivoire's income.

According to the Ivorian Trade Minister, Victor Eric Kahe Kplohrouou, it is essential to promote the consumption of chocolate in order to stimulate demand for cocoa, thus improving the balance of payments of producing countries. In this way, the foundations would be laid for a sustainable economy based on cocoa, which would help in the fight against poverty. This in any case was the desire expressed by Ivorian authorities at the fair, whose slogan was "Côte d'Ivoire is back", marking the return of the country to the international scene after an absence of almost four years. ■

Alexis KELA



Tuna is very important for the Pacific Island countries and territories



The big catch

The South Pacific islands tuna fishery is the largest and most valuable in the world. Many of the smaller island states are tuna-dependent and becoming even more so. Ownership of this king of the sea and the right to harvest it are highly sensitive political issues. The EU is preparing to negotiate bilateral fisheries agreements with a view to securing access on the basis of sustainable and responsible fishing.

Dianna Rienstra

Two hundred high and 2,500 low islands and atolls comprise the 22 countries and territories of the Pacific islands. The United Nations Convention on the Law of the Sea gave coastal nations rights to resource use over the sea area within 200 miles of their coastline, an area known as the Exclusive Economic Zone (EEZ). Several of the Pacific Island countries and territories thus have considerable amounts of ocean in their control – some 201 million square kilometres – several times the land area of Europe.

The region supplies about one-third of all landed tuna in the world, about half of the total supply to tuna canneries and 30 per cent of the tuna to the valuable Japanese sashimi (raw fish) market. Most Pacific island countries have a narrow resource base and small domestic markets, which makes them heavily dependent on a small number of export commodities.

The South Pacific tuna fishery is the Pacific islands' main natural resource and promises great potential for the expansion of regional exports. The 14 Pacific ACP states' dependence on tuna is unmatched elsewhere in the world and is likely to increase.

Protecting an invaluable living resource

There are two major concerns with today's management of this invaluable living marine resource. The first is that Pacific island countries are not benefiting as much as they could, due to weak bargaining power and weak governance in negotiating fisheries agreements with Distant Water Fishing Nations (DWFNs), and poaching.

Poaching is estimated to be as high as 40 per cent of the total annual catch of one million metric tonnes, which brings in a landed value close to US\$1.7 billion. About 90 per cent of the catch is harvested by DWFNs that pay access fees averaging four per cent of their gross revenue of the catch. Some argue that licenses are sold far too cheaply.

The second concern is that current management strategies are not sufficient to ensure long-term sustainability of the resource. Unlike most other tuna fisheries, this one is not yet over-exploited, although some experts warn that stock assessments need further refining before this claim is proven.

It is commonly accepted that three out of the four major species could endure a higher catch rate and still sustain. But international fishing countries are eyeing the region with greater interest as stocks have been depleted everywhere else. The bigeye tuna (five per cent of the total catch) is slower-growing and longer-lived than the other species. The decline in the adults of this species since the 1970s has raised fears that harvest rates may have already reached unsustainable levels.

Existing institutional structures do not have the capacity to ensure that future exploitation is capable of ensuring harvest rates less than the natural rate of regeneration. For this reason, the governance of the South Pacific tuna fishery must be strengthened now.

Balancing conflicting interests

There are many, often conflicting, interests that must be balanced if this most precious resource is to be protected. Long-term opportunities must be weighed against short-term benefits.

Tuna fisheries of the region are at a crossroad. They offer substantial long-term economic opportunities. But they can only be maximised if the resource is effectively managed to avoid over-fishing and stock collapse. Short-term benefits include food, employment and income-generating activities. Direct and indirect tuna-related employment is estimated at between 21,000 and 31,000 people (6-8 per cent of all wage employment). The current value of tuna caught annually represents about 10 per cent of the combined GDP of all the nations and a third of all regional exports.

The share of the harvest taken by Pacific island countries is a modest 10 per cent with the remaining 90 per cent taken by DWFNs, primarily Japan (50 per cent), Taiwan, China, the Republic of Korea and the United States. In 1999, DWFNs

International fishing countries are eyeing the region with greater interest as stocks have been depleted everywhere else

paid about US\$60.3 million in fees, but this is still a small proportion of the value of the total catch. Figure on fees paid are not always transparent or reliable, particularly in the cases of Fiji and Vanuatu.

Nonetheless, licence fees contribute significantly to the public revenue of many Pacific island countries especially Kiribati, Tuvalu, the Federated States of Micronesia and the Marshall Islands. Where foreign fishing vessels regularly call at local harbours, additional benefits spin-off in the local delivery of goods and services. However, only about one-fifth of the tuna catch is processed within the Pacific island countries.

Most Pacific island countries are at the stage of selling licences. Kiribati is moving slowly towards onshore processing, while Papua New Guinea, Fiji, Samoa and the Solomon Islands have processing facilities and are developing national fleets.

Marine products play a large role in domestic food consumption in what are primarily subsistence economies. The need to reconcile the interests of commercial tuna fishing and the role of artisanal fisheries should not be underestimated. In countries where root crops and coconut dominate, protein is critical to the people's health. Fishing is an integral part of the islands' lifestyle and culture.

Marine products play a large role in domestic food consumption in what are primarily subsistence economies. The need to reconcile the interests of commercial tuna fishing and the role of artisanal fisheries should not be underestimated. In countries where root crops and coconut dominate, protein is critical to the people's health. Fishing is an integral part of the islands' lifestyle and culture.

Fish don't carry passports – moving towards a regional approach?

The Pacific Islands Forum, which includes the 14 ACP States plus Australia and New Zealand, has repeatedly stated that the region's tuna resources must be managed on a sustainable basis.

Its Forum Fisheries Agency (FFA) has received €1.9 million in EU development assistance to help develop fisheries management policies, negotiate fishing licences, collecting fees, surveillance of EEZs, pricing information, shipping, processing, marketing and legislation.



Observer sampling brails in Papua New Guinea



SPC



SPC

Above, Cast netting - Tonga
Below, Port sampling activities – measuring fish in Noumea, New Caledonia.

The FAA plays a leading role in the region's efforts to develop strategies for the sustainable management of tuna stocks in accordance with the conventions developed by the UN Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks.

However, an attempt at multilateral negotiations for an EU/FAA regional tuna agreement did not come to fruition. Additional resistance came from regional heavy hitters Australia and New Zealand, who seemed not to want the EU to become a major player in the Pacific.

Positive reactions for negotiating bilateral agreements came from Papua New Guinea, Solomon Islands, Federated States of Micronesia, Tuvalu and Kiribati. Last year, the European Council authorised the European Commission to negotiate such tuna fisheries agreements with ACP countries of Central West Pacific.

A world first

The Convention for the Conservation and Management of Highly Migratory Fish Stocks in the Pacific was signed in September 2000. A world first for the management and conservation of the tuna fishery, the Convention is an agreement between FAA members and DWFNs about tuna fishing on the High Seas and in EEZs with a view to achieving a long-term sustainable harvest.

It took five years of long and difficult negotiations, but the Convention is viewed as a balanced compromise between the stakeholders' interests.

Fisheries and poverty reduction

Poverty reduction is a central objective of the EU's development policy. The fisheries sector has significant potential to achieve it. To this end, the European Council adopted a resolution in November 2001 that recognises the importance of

fisheries for the sustainable development and gradual integration of developing countries into the world economy.

Specific development objectives for fisheries in the Pacific include:

- The promotion and support of conservation and management techniques to maintain stock of the exploited species at a level that assures a constant level of returns.
- Helping Pacific island states obtain increased revenues from the sale of licenses to DWFNs.
- Encouraging trans-shipment onshore rather than at sea and optimising surveillance and monitoring of ship movements and catches.
- Developing onshore processing to provide employment. Such investments are normally driven by foreign private investment. In the past, public investments in these ventures have not succeeded.
- Supporting the development of joint venture, private fishing fleets feeding the canning plants onshore.
- Encouraging private investment in the sector.
- Balancing the interests of commercial tuna fishing and the coastal/artisanal fisheries.
- Enhancing stock assessment and monitoring.

The EU resolution recognises that proper development of the fisheries sector will require regional development strategies, which need to be further strengthened. Exploitation of the fisheries resource should contribute to social and economic development as well as employment and food security. ■

Supporting small-scale fisheries in Solomon Islands

There is a well-established industrial tuna fishery in Solomon Islands, but small-scale fisheries are only poorly or moderately developed. Most fishing is for subsistence, with men relying on canoes and hand lines for most of their catches and women using boats to catch finfish. Production is largely consumed within the family groups.

During the 1980s, more than 25 rural fishery centres were established to stimulate fishing activity by providing ice, landing and storage facilities coupled with marketing assistance. Most of these centres were not sustainable due to lack of follow-through, insufficient funds to pay operating costs, and inadequate maintenance and poor management.

Since 1990 the European Development Fund has, with three successive projects, supported the government's earlier efforts by establishing market infrastructure and hands-on technical assistance. Rural fishery centres have been revived in several provinces. The generation of €450,000 per year and the promotion of 50 tonnes per year of fish exports has exceeded expectations. A survey of households of Kia village on the Island of Isabel showed that more than one third of households reported that fishing was their primary source of income compared to less than two per cent before; 83 per cent of households earned some income from selling fish compared to 58 per cent before the centre was established and the turnover of the largest store increased by 50 per cent between 1995 and 1996.

Realising a dream in Vanuatu

The contribution of the European Union

A decade ago, the following letter may have been no more than a dream... **Ian Heydon** looks at how the European Union (EU) is contributing to the future of the Pacific island nation of Vanuatu.

Dear Sir/Madam

LETTER OF APPLICATION

I am looking for a job in your company and I would be happy if you would offer me one.

My name is John Samuels and I am 18 years old. I first attended South West Bay Junior Secondary School from 1996 to 1999, doing years 7 to 10. I obtained my leaving certificate with good grades.

John is one of the growing number of students in Vanuatu to complete Year 10, thanks to the EU-Vanuatu Education Development Programme (EUVED). The project has both a construction and an education component.

Construction involves building and refurbishing teaching facilities and student accommodation at 18 schools like the one John attended, and the building of a library, teaching facilities and student accommodation at the Vanuatu Teachers' College. John's former school received new facilities adjacent to the existing primary school.

The education component includes building and strengthening management systems, providing teaching materials and in-service training for teachers/advisers and secondary school inspectors.

Reaching government targets

According to the Director General of Education in Vanuatu, George Andrews, the project's substantial achievements have been largely due to teamwork. "We believe this success story would not have come about without the cooperation of all parties; the EU, the Vanuatu Government and the consultant Dr David Black and his team."

Dr Black is Project Manager for EUVED, which began in September 1999 and is due to be completed in mid 2003. EUVED's aim was, and is, to contribute substantially to the Vanuatu government targets of improving the quality of education in Junior Secondary Schools and, by 2002, to double the numbers of students enrolled in Years 7 to 10 in 1994. The project is on target.

Dr Black also acknowledges the importance of cooperation and consultation. "The project is an ongoing success because the EUVED team developed friendly and professional relationships with the Ministry of Education and this contributed greatly to its achievements. The project has provided over 1,000 new Junior Secondary School places as well as resources for schools and training school inspectors and teacher advisors," he said.

I then continued years 11 and 12 at Onesua Presbyterian College. These are my results:

<i>English</i>	<i>11</i>
<i>Mathematics</i>	<i>09</i>
<i>French</i>	<i>06</i>
<i>Social Science</i>	<i>11</i>
<i>Basic Science</i>	<i>10</i>
<i>Religious Instruction</i>	<i>11</i>
<i>Agriculture</i>	<i>07</i>

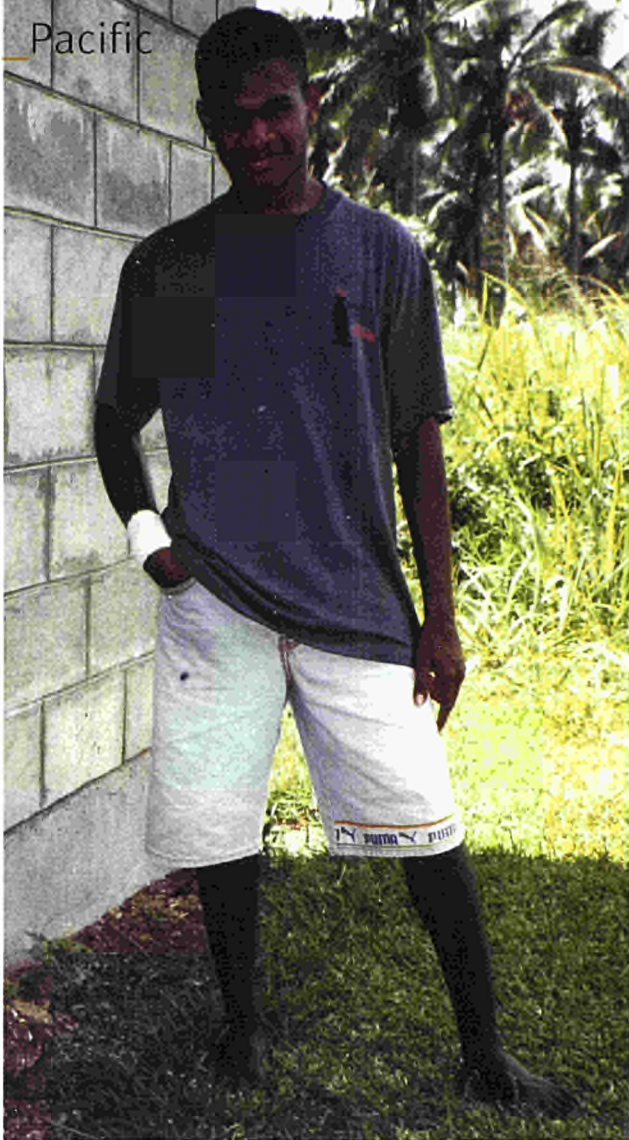
I can write and speak fluent English and have a fair knowledge of French. I am also learning computer skills at home.

Linguistic diversity

Of the schools, 8 are francophone and 10 are anglophone. Vanuatu, meaning "land eternal", got independence in 1980. Prior to this, the country was known as the New Hebrides and was a condominium administered jointly by the French and the British. English and French are both widely spoken as well as Bislama. There are also more than a hundred other languages spoken in the 83 islands that make up the archipelago of Vanuatu. John speaks English, Bislama, French and languages from Paama (his mother's island) and Malekula, where he attended South West Bay Junior Secondary School.

John's results in the subjects he mentioned will allow him access to a good job. The purpose of his letter of application, written without assistance and sent to a number of potential employers, was to look for employment so he can afford the fees to continue his computer studies at the University of the South Pacific. Apart from allowing more students to complete





EUVED Project

John Samuels is one of the growing number of students in Vanuatu to complete Year 10, thanks to the EU-Vanuatu Education Development Programme (EUVED)

Year 10, the EUVED Project has instilled an ongoing desire for education and life skills such as application and independence.

Coping with natural disasters

The implementation of the project has not been all plain sailing. The EUVED project faced three emergency situations, fortunately none of them involving loss of life. The first was Cyclone Sose in 2000, which blew the roofs off the dormitories and classrooms at Molivalilvo School on the island of Santo. EUVED used contingency funds to repair the damage. Later in the year, the eruption of the volcano on the island of Lopevi resulted in the evacuation of staff and students from the nearby island of Paama. The building programme was rescheduled to give priority to improving facilities at the school. The third emergency followed an earthquake in January 2002 (7.4 on the Richter Scale). The Ministry of Education building in Port Vila was severely damaged and will have to be demolished. The EUVED team proposed a modification to the work plan to construct a new building while retaining the number of new student places. EUVED also provided engineering consultants to survey damage at three local secondary schools.

John's brother, Jake, was one of the students evacuated from Paama because of the volcanic eruption and has since returned to complete his Year 10 studies following the building of new classroom blocks, administration building, dormi-

tories and washrooms. Their sister, Motte, is in Year 8 at Burumba Junior Secondary School on the island of Epi. Thanks to EUVED, a new classroom block and a new administration block has already been completed there. Their mother Gladys is an extremely intelligent woman who works as a "housegirl", for an expatriate family. When she was young, no such educational facilities existed and she is proud of their achievements and thankful for the assistance that has made opportunities available to her children.

A real "community" project

The benefits to Vanuatu are more far-reaching than just the classroom. "We worked hard to ensure that the project had an impact beyond the education sector," Dr Black said. "It has supported the local economy by, for example, the successful use of local building contractors and printing firms to supply textbooks."

Tight budgetary constraints were also eased by the local communities donating building resources, such as sand and coral, along with labour for small additional building projects and commitment to the long-term maintenance of the schools. As Dr Black says, "It has been particularly pleasing to see the involvement of local communities in helping to build and maintain what have now clearly become "their" schools."

The Ministry of Education and the EUVED design team, under project architect Mikko Koria, designed and managed the construction of all the school buildings and worked with each school principal to identify priorities.

It has been a "community" project in every sense of the word. The tenders for all work and supplies were won by local firms, which gave the Vanuatu economy a boost at grassroots level as well as the longer-term investment in education.

The importance and significance of projects like EUVED can perhaps be best seen when put into an historical perspective. Developing nations have to "fast-track" now more than ever. Vanuatu has sophisticated infrastructure in its communications systems (telephone, internet) and the economy relies on tourism, export of select agricultural products and offshore financial services. For these sectors to function professionally and efficiently, a well-educated workforce is a necessity. Vanuatu has come a long way in a relatively short period of time. Quality education, for both individuals and the community, is fundamental in enabling developing nations to compete, nurture and prosper. The "giant leap for mankind" in Vanuatu can only come from education.

Because of my qualifications and skills I hope to get a job interview and I would try hard to do very well in my job. I look forward to hearing from you.
Yours faithfully

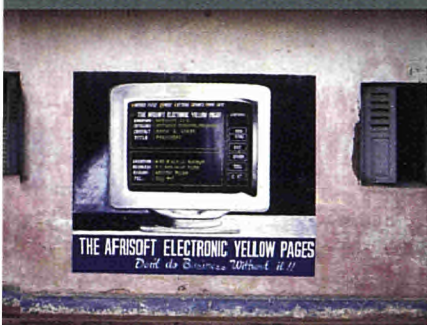
John Samuels

Thanks to projects like EUVED, more and more students in the future will be able to type the words "yours faithfully" at the bottom of their letters of application.

The final word to Dr Black: "All of us at the project are pleased to have made a substantial contribution to the Government's philosophy, that education of the individual and the community is of critical importance to the development of Vanuatu." ■

The EUVED Project team members, past and present, are: Stephen Barber, David Black, Ian Chappell, Amand Hughes-d'Aeth, Stephen McCluskey, Williamson Moli, Mikko Koria, Bob Nikai, Richard Rahuban, Sammy Raikatalau, Brian Sali, Michael Vari.

ICTs and development



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A traditional chief in South Africa was asked the following question: "If you had the possibility of choosing between a telephone line, a school or a clinic for your village, what would you choose?" To which the chief replied: "the telephone line, so that I can lobby ministers in the capital about the school and the clinic". We do not know if the story is true, but it captures the central message of this dossier: if applied properly, information and communication technologies can become enabling tools that can empower the poor.

This dossier covers the following issues:

- Four European views are expressed on ICT and development and the role of the EU. Poul Nielson, Commissioner for development and humanitarian aid explains that ICTs are part and parcel of the EU's strategy to fight poverty. Erkki Liikanen, Commissioner for enterprise and the information society, describes the relevance of ICTs to development. Two Members of the European Parliament give their view: Lone Dybkjaer and Karin Junker – rapporteurs in 2001 on ICTs and development, respectively for the European Parliament and the ACP-EU Joint Parliamentary Assembly.
- Yes, ICTs are on Africa's agenda, says Karima Bounemra Ben Soltane, director at the UN Economic Commission for Africa and renowned African ICT champion.
- Dr David Souter, Executive Director of CTO (Commonwealth Telecommunications Organisation) offers an interesting insight, from the ICT angle, into the case of small (island) countries in the Caribbean and the Pacific.
- That ICTs can empower civil society in defending their rights is illustrated by Loeki Schaeffers and José Miguel, from the International Institute for Communication and Development, based in The Hague. Colleen Lowe Morna looks at the possibilities offered by the new technologies for achieving gender equality and poverty reduction.
- The rural world and whether ICTs can be of benefit, is the subject of Eyoum Nangué's article.
- Isabelle Saussez looks at whether media in the South have been able to climb on the ICT bandwagon.
- Dr Yves Amaizo describes the fragmentation of communication infrastructures in Africa, and calls for the setting up of a cohesion fund
- While ICT is the tool, knowledge is the content. Stephen Denning examines whether the management of knowledge for development can be improved by ICT tools. He had a long career in the World Bank as programme director for knowledge management, and is the author of an acclaimed book on the subject.
- The article by Mr Zhongzhou Li, Deputy Director of UNCTAD's division for Services Infrastructures for Development, should dispel any doubts on whether e-commerce is appropriate for poor, low-income countries. Mr Li is also his organisation's focal point for the World Summit on Information Society.

Empowering the poor

the future for information and communication technologies in development

The European Community intends to use information and communication technologies (ICTs) as part and parcel of its strategy to fight poverty and achieve the Millennium Development Goals.

In this article, the European Commissioner for development and humanitarian aid, Poul Nielson, looks at the role of ICTs in the EC's policy on development cooperation.

Several international development conferences are taking place this year and next. The recent one on Financing for Development in Monterrey, Mexico, then, at the end of August, the World Summit on Sustainable Development in Johannesburg, South Africa. Closer to this article's topic, the World Summit on the Information Society will take place in Geneva next year. Beyond the specific focus of each event, the broader objective of all these conferences is to address the challenge of poverty in the world and, in particular, the challenge of reaching the millennium development goals set by the UN General Assembly in 2000.

Poverty is not an abstract concept or a macro-economic notion. It hurts human beings throughout the world – physically and in respect of their dignity. We have all reaffirmed our faith in the dignity and worth of the human person in the Universal Declaration of Human Rights. The fight against poverty is a translation of this principle into action.

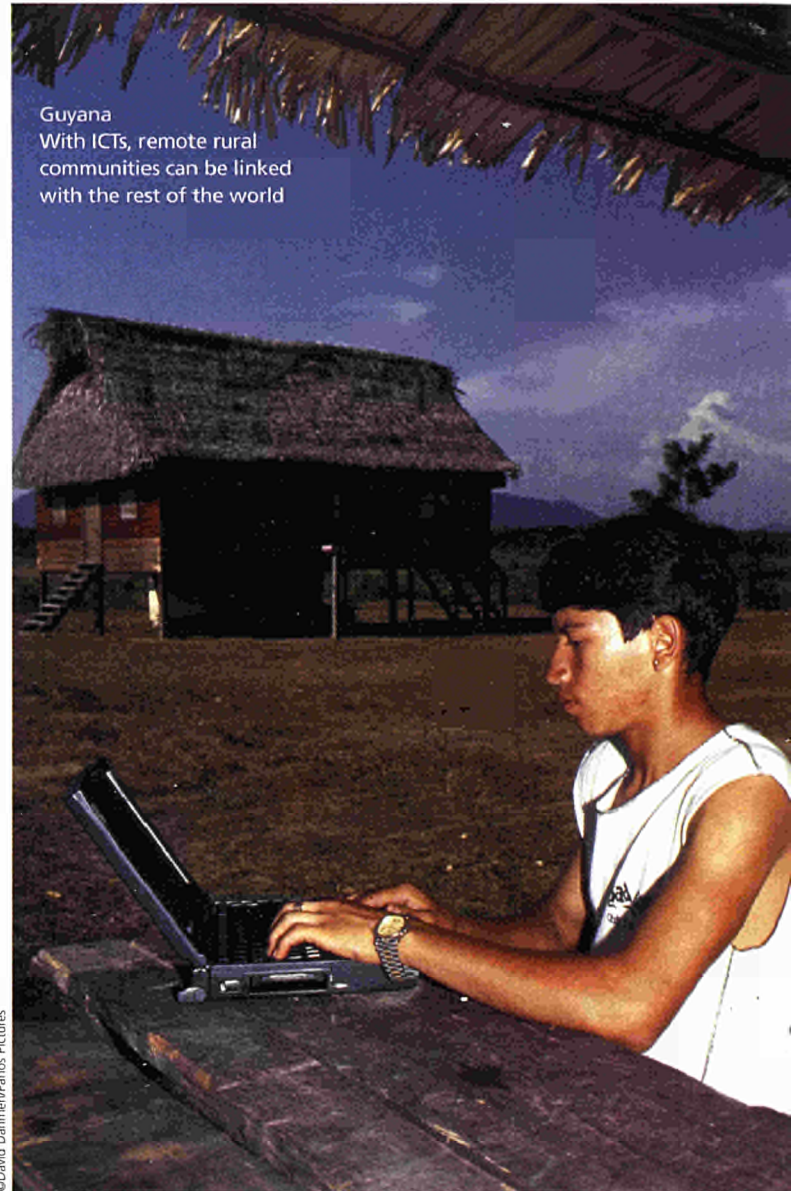
This is why the EU has reshaped its development cooperation policy, giving it a stronger focus on poverty. This became the central element of the Statement on the European Community's Development Policy¹, adopted in November 2000 by the Council of Ministers and the European Commission. The Commission intends to work more closely with other donors and international organisations, and to concentrate on a more limited number of areas and overlapping themes, where it can make a difference and attack poverty issues more decisively.

The European Community intends to use information and communication technologies (ICTs) as part and parcel of its strategy to fight poverty and achieve the Millennium Development Goals.

From digital divides to digital bridges

The first G7 conference on the information society, hosted by the EU in Brussels in 1995, voiced concerns about a growing "digital divide". Since then a series of international events and initiatives have tried to deal with the problem.

The digital divide – that is to say unequal access to ICTs among and within countries – is a reflection of existing social and economic inequalities in both industrialised and developing countries. ICTs did not create inequality, but they may add to greater inequality unless we are conscious of their impact.



Guyana
With ICTs, remote rural communities can be linked with the rest of the world

©David Dahmen/Fanos Pictures

If properly applied, ICTs can contribute to the fight against poverty and to economic and social development. They may even underpin the evolution of democracy. Poor people need, among other things, affordable access to information that is vital to their livelihoods: information about market prices for the goods they produce, about their rights as citizens, and about access to health services, education and skills that can improve their livelihoods.

ICTs can make the delivery of these services easier. More generally they can create new opportunities to expand the

reach, availability and impact of information and knowledge for the development of poor communities. So ICTs, if applied properly, cease to be luxury items for the rich and become enabling technologies to empower the poor. Instead of creating a digital divide, the very same technology can create a digital bridge.

A European blueprint

Responding to invitations by the European Council, the European Parliament² and the ACP-EU Joint Parliamentary Assembly³, the European Commission adopted last December a policy blueprint to put ICTs at the service of the world's poor. This took the form of a Communication⁴ on "Information and Communication Technologies in Development: the role of ICTs in EC development policy".

The EC intends to play a more proactive role in the use of information and communication technologies in the fight against poverty. In doing so, it will support and use ICTs not as a priority sector, but rather as a *tool* to achieve objectives within the new policy's⁵ priority areas and cross cutting themes (for example gender). ICTs are not to be considered in isolation, but as part and parcel of an overall development strategy.

The blueprint illustrates several possibilities for ICT applications, especially in the context of the six development priority areas. These are trade and development, regional integration and cooperation, support for macroeconomic policies and social services, transport, food security and rural development and institutional capacity building.

Some Member States and MEPs would like the EC to add a new, seventh area of development cooperation. But the ICT communication follows closely the conclusions of the Joint Council and Commission on EC Development policy (which approved the six priority areas), so this would not really make sense. The Communication on ICTs and development was submitted to the Council and Parliament more or less at the same time as the ones on education⁶ and health⁷. All three are due for consideration by the Development Council under the Spanish presidency on 30 May.

Working with developing countries

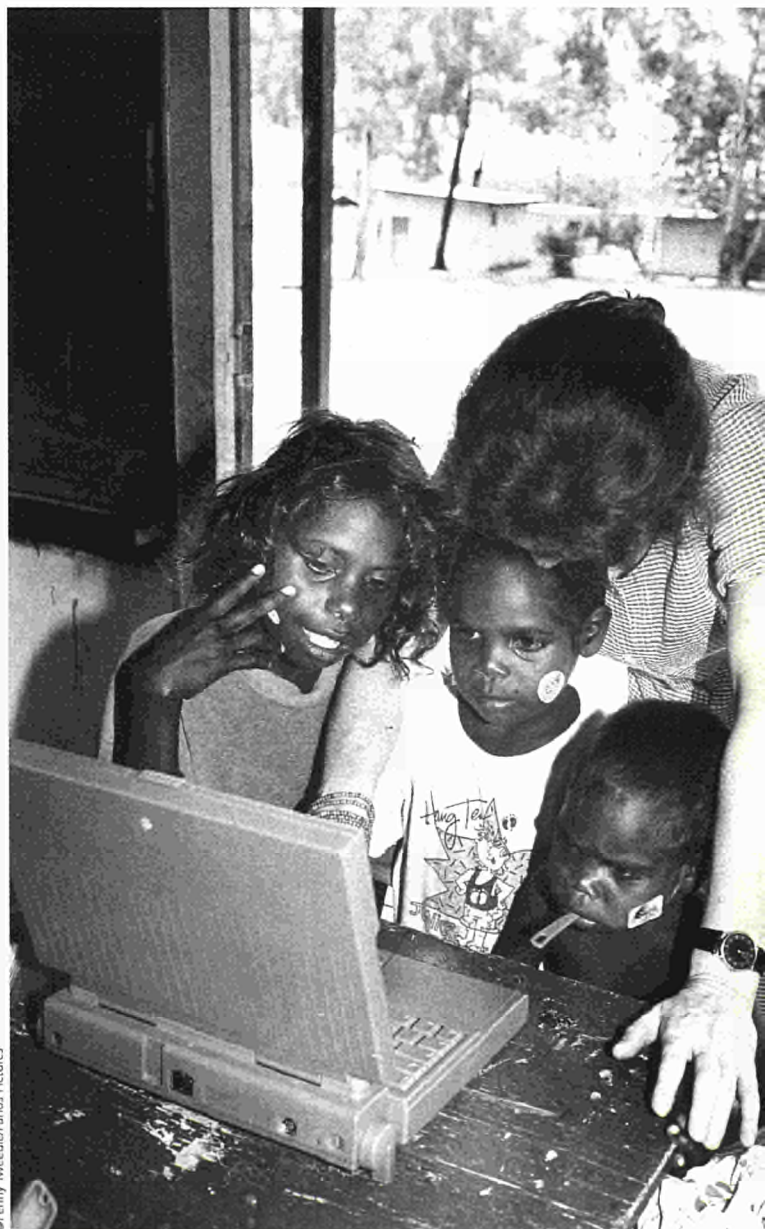
As with other development challenges, the decision to embrace these new opportunities belongs to developing countries themselves. Ownership by them is indispensable. For its part the international community in general, and the EC in particular, can play a proactive role by pointing to the potential benefits of new policies and helping interested countries to design appropriate policies. As for planning and implementation, the EC will consider ICTs within the framework of country and regional strategy papers. It will support multi-stakeholder approaches, share knowledge on lessons learned, and apply more effectively the current provisions on complementarity and coordination with Member States. A few years ago not many donors were active in this sector but there is now an increasing number of players, so effective policy and operational coordination is essential.

The Commission is looking forward to substantive conclusions on its policy paper from the Development Council

on 30 May. This will give the EC and the Member States an opportunity to move ahead in a determined and coherent manner.

Some Member States are particularly active and have launched interesting initiatives in areas like participatory ICT policies, ICT and education and "e-government". I hope that other European donors, the EC included, will have the opportunity to join these initiatives, to make a bigger impact and give greater European visibility.

The EC could also, at the initiative of the African, Caribbean and Pacific countries, consider a regional ICT programme in the context of the ninth European Development Fund programming exercise (along the lines of the



©Penny Tweedie/Panos Pictures

Arnhem Land, Australia.
ICTs can enhance education

©Marcus Rose/Panos Pictures



Kano, Nigeria

ICTs can be key to empowering women

ICT programmes already launched in some other regions^{*)}. Such a programme could be used as a demonstration of what works, and as a process for change that could be picked up later in the context of national aid programmes.

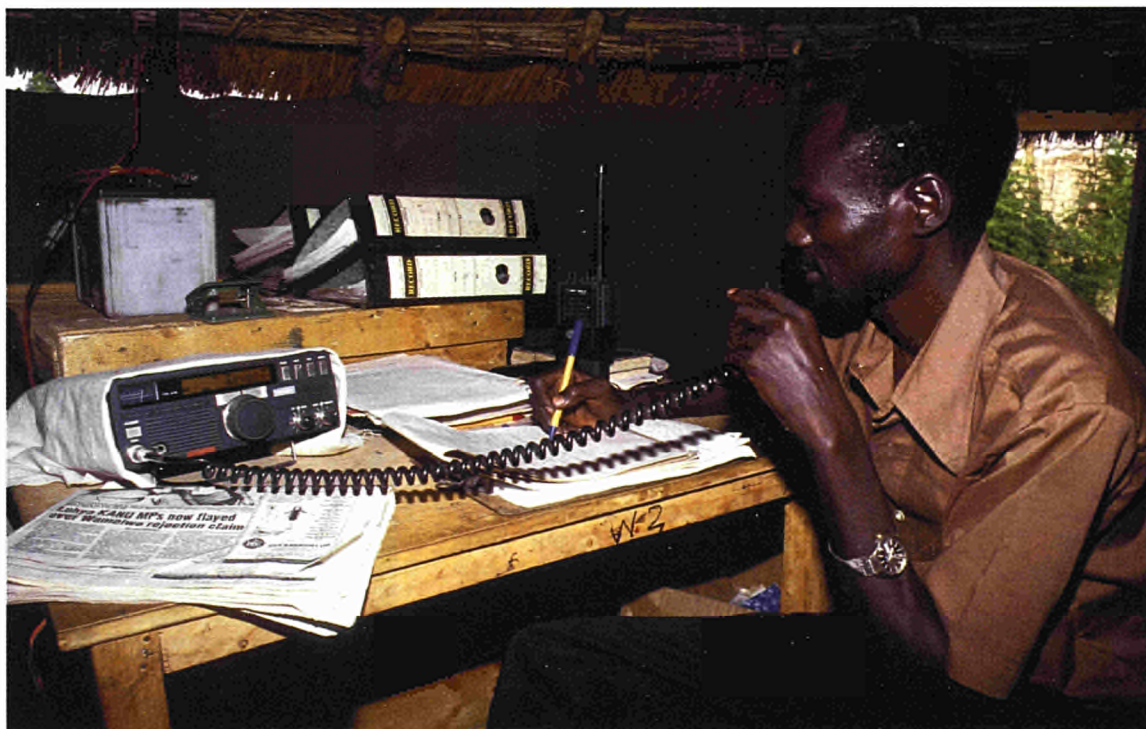
Prospects on the wider international stage

The World Summit on the Information Society, to be held in Geneva in 2003 and in Tunis in 2005, aims to “develop a common vision and understanding of the information society and to draw up a strategic plan of action for concerted development towards realising this vision”. The summit represents the first attempt by the UN system as a whole to try to spell out the different facets of the information society. As

in Monterrey, the Commission will play an active role alongside EU Member States and will ensure that development aspects and poverty eradication, particularly in the very poorest countries, are fully taken into account.

ICTs could be compared to sustainable development. Both are sectors in themselves and themes that cut across other sectors.

Radio operator in the Sudan. Communication can be done by different means



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ICTs need to be in the mainstream of policies and programmes – a process that will be a long and gradual one. It was only at the 1992 Earth Summit in Rio that sustainable development achieved a clear turning point in the way it was conceived and in international action.

I sincerely hope that Geneva in 2003 and Tunis in 2005 will represent a similar watershed for the information society, so that ICTs do indeed cease to be a luxury and become enabling technologies that empower the poor. ■

The European Community intends to use information and communication technologies (ICTs) as part and parcel of its strategy to fight poverty and achieve the Millennium Development Goals

1. See : <http://ue.eu.int/Newsroom/newmain.asp?lang=1>
2. See article by Mrs Dybkjaer, in this dossier
3. See also article by Mrs Junker
4. http://europa.eu.int/comm/development/document/com_en.htm
5. The drafting of the communication benefited from a review on the use of ICTs in EC development programs in Asia, Latin America and the Mediterranean, published in January 2001 (see : http://europa.eu.int/comm/external_relations/info_soc_dev/index.htm)
6. COM (2002)116, of 6 March 2002
7. COM (2002)129 of 28 March 2002
8. In Asia: Asia IT&C; in the Mediterranean: Eumedis; and in Latin America: @lis.

Bridging the gap

the relevance of ICT in development

In recent years there has been criticism of the role of ICT in development policy. Why promote information technologies when developing countries are struggling to provide food, clean water, education and healthcare? These doubts have been further intensified with the burst of the dot-com bubble and the economic downturn. So should we forget about the opportunities offered by new technologies? Here Erkki Liikanen, European Commissioner responsible for enterprise and the information society, responds to these doubts.

My answer to the second question is a definite "no". New technologies continue to be a major engine for growth. The global economy is undergoing a profound process of transition, which will lead to a transformation of the entire economic fabric, merging the old and the new economies. This global shift towards a networked and knowledge-based economy is a process that the developing countries need to be part of. Otherwise the existing gap may be widened.

Growing consensus on the benefits of ICT in development

Although there has been scepticism, the benefits of new technologies in the development process are now more and more recognised at the international level. At the Okinawa Summit of July 2000, G8 leaders adopted the "Okinawa Charter" on the global information society. This focused on the digital divide and on promoting global participation, and created a "Digital Opportunity Task Force". The "DOT Force", as it is colloquially known, produced a report: *Digital opportunities for all: meeting the challenge*.

The report is the result of a unique international collaboration over several months between representatives of the G8 countries, the European Commission, developing countries, multilateral organisations, the private sector and non-governmental organisations. It has charted the roles and responsibilities of the various actors - national governments, the private sector, civil society and international organisations - in creating digital opportunities for all.

At its millennium session, the UN General Assembly paid special attention to ICTs on the basis of the ECOSOC recommendations. An ICT task force has been created under the UN Secretary-General, as a practical step aimed at strengthening

the UN's role and leadership and at developing effective partnerships with the private sector, civil society and other relevant stakeholders.

Other UN agencies are active in this field, notably the International Telecommunication Union (ITU) through the "World Telecommunications Development Conferences". The most recent of these was held in Istanbul in March this year. UNESCO and WHO are exploring the role of ICT in education and health respectively. Of the UN Economic Commissions, the one for Africa (ECA) has been particularly active in supporting analytical work and policy formulation in the context of the "African Information Society Initiative".

The "World Summit on the Information Society" (WSIS), organised by the UN under its Secretary-General, Kofi Annan, is to be held in two phases. The first will be in Geneva, hosted by the Swiss government, in December 2003 and the second in Tunisia in 2005. The aim of the summit is "to develop a common vision and understanding of the Information Society and to draw up a strategic plan of action for concerted development towards realising this vision".

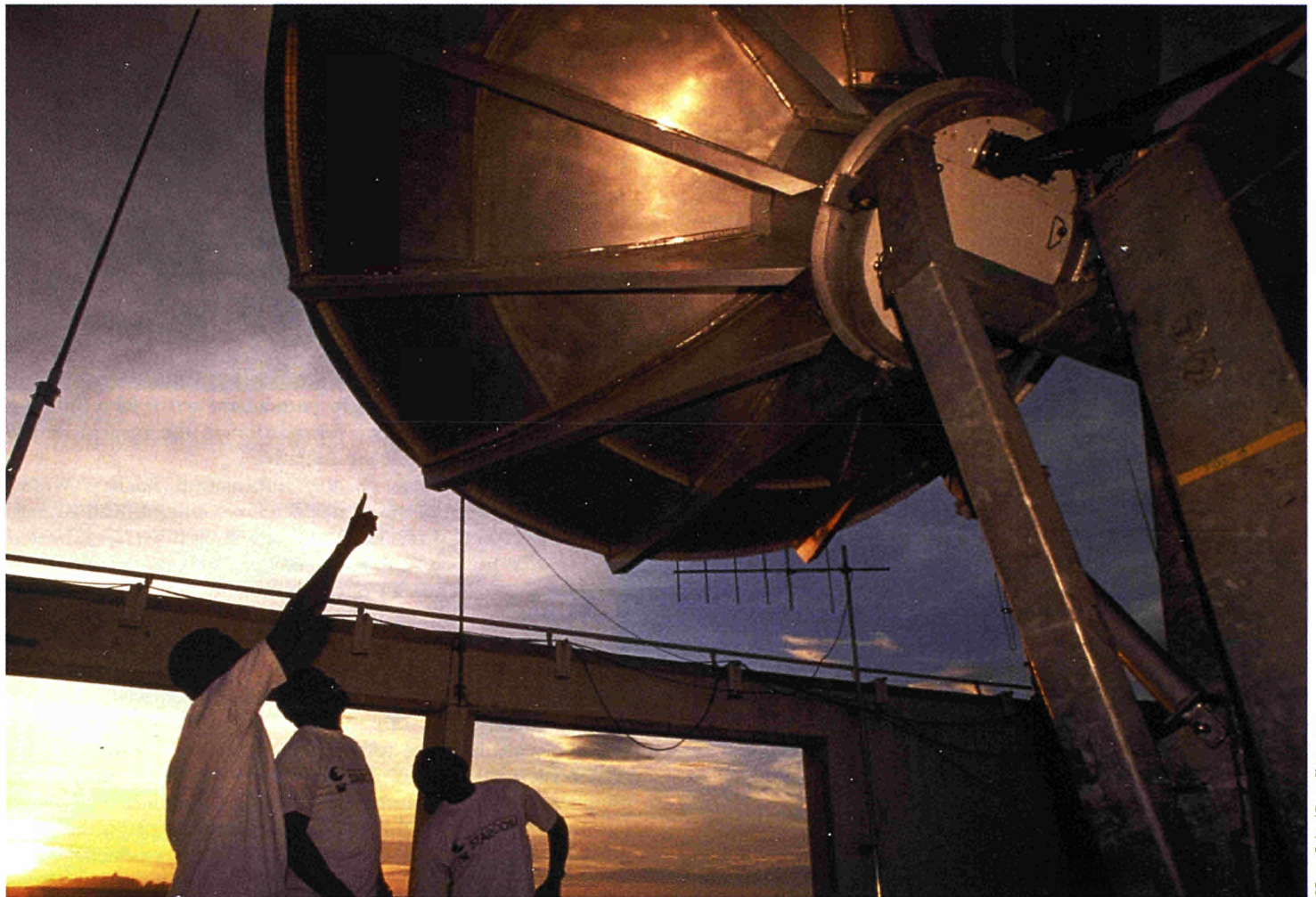
Consensus is emerging on the fact that, when wisely applied, ICTs offer enormous opportunities to narrow social and economic inequalities and to support sustainable wealth creation. Technology is seen as a tool, not a reward of development. As a number of economic studies have demonstrated, information and communication technologies play a key role in enhancing the growth of productivity and competitiveness. There are three conditions for this: investment in ICT, reorganisation of management and working methods, and thirdly improvement of skills. All three conditions must be met - two out of three is not enough.

ICTs can also be a powerful tool for improving the quality and efficiency of government services, such as health and education. New technologies offer great opportunities especially in places where resources are scarce and geography is an obstacle to communication. But despite the enormous opportunities, their transfer to developing countries does remain problematic, with the risk that a large part of the population will be left out of the process.

Benefits depend on the information and communications infrastructure, on the development of economic and legal systems and on the capacity to provide education and training. An imbalance in the availability of information and communications resources creates a new danger. Exclusion from the global economy may be intensified in countries where, in the long term, only a small proportion of the population has access to new networks.

Achieving the benefits - avoiding the risks

Consensus is emerging on the fact that, when wisely applied, ICTs offer enormous opportunities to narrow social and economic inequalities and to support sustainable wealth creation.



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New technologies continue to be a major engine for growth

It is clear that unless public policy takes account of them, new technologies can become a new source of exclusion instead of a tool for progress. Experience indicates the need for an integrated policy approach, supported by strong political leadership and commitment at the highest level. Actions and solutions must be precisely identified, with a clear focus on what must be done, by whom and when.

The advantages of information technologies are multiplied when they are available to all. So their take-up has to be supported across society, throughout the private and the public sectors. The value of a network increases with the square of the number of participants. The biggest value is obtained when it reaches everyone, and not just a part of the population.

The first prerequisite for the development of an information society is widespread access to the network infrastructure. This needs a truly competitive environment, which will in turn guarantee affordable prices and encourage the take-up of new, innovative services. That requires a proper regulatory framework, within which the information society services can develop, and an independent regulator.

This has been done in Europe, where the key instrument for

accelerating the development of an information society for all has been the eEurope 2002 Action Plan. Its overall objective is to bring all of Europe online by 2002. In pursuing this objective the Action Plan has targeted three areas:

- cheaper, faster and secure Internet
- investing in people and skills
- stimulating use of the Internet

Since the launch of the plan, decision-making on telecoms and e-commerce regulation has been accelerated, benchmark indicators have been introduced, and above all, the Internet is now at the top of the political agenda in all EU Member States. The next step will focus on the user and usage of the Internet. The objective is a widespread, more profound and inclusive use of the Internet to raise productivity in the private and public sectors. This is key to realising both our economic and social agendas.

The Barcelona European Council called on the Commission to draw up a comprehensive eEurope 2005 Action Plan. Priorities will include content, applications and services – focused on users.

Emphasis will be on:

- ensuring, on the one hand, the roll-out of key technological

- enablers such as secure broadband networks and the next Internet Protocol; and on
- reinforcing, on the other hand, the pillars of an information society for all: e-learning, e-health, and e-government.

EU development policy and the wider world

But the EU is not alone in promoting activity to accelerate progress towards the information society. Eastern European countries have adopted an eEurope+ Action Plan and emerging economies have adopted clear-cut e-strategies, based on their specific needs. In a number of instances the EU has been an interlocutor in the dialogue and a partner in cooperation.

Last December the European Commission adopted a policy document on ICTs and development. It emphasised that the European Community would support the use of ICTs not as a limited priority sector, but rather as a tool to achieve the objectives within the focal areas and crosscutting themes of the new EC development policy. ICTs should not to be considered in isolation, but as part of an overall development strategy and of the policy dialogue with beneficiary countries.

This is the only way to attain the benefits of new technologies in all areas of society.

In the specific regional cooperation programmes with Asia, Latin America and the Mediterranean, the basic approach of the Commission has been to work together with the beneficiary countries to create a global understanding of the information society and its benefits through concrete projects (see box).

Key aims have been to implement universal access to ICTs and to help the developing countries set priorities in their use,

Despite the enormous opportunities offered by ICTs, their transfer to developing countries does remain problematic, with the risk that a large part of the population will be left out of the process.

according to their specific needs. With rapid technological development, more efficient and affordable solutions are available to tackle a number of problems common to developing countries. Common projects have shown that benefits and savings can be made in areas such as distance education, tele-medicine, e-government, transport, natural resource monitoring and management, and satellite-based information on agriculture.

Success through coherent strategies

New technologies are no panacea for all development problems. But by improving communication and the exchange of information, they can create powerful social and economic

networks, which in turn provide the basis for major advances in development. Not everything can be done everywhere. What should be chosen depends on the level of development and on the commitment of key people and institutions. Efforts have to be made to coordinate cooperation and assistance in technology. When support for the development of IT infrastructure comes from a variety of sources, it can become inefficient through duplication and incompatibility between technological systems.

So better coordination between donors and a coherent strategy from the beneficiary side is essential to ensure that aid helps rather than hampers technological development. In this perspective the EU experience in information society policies and achievements is available for those developing countries that wish to benefit from it, and the EU will contribute to the success of the World Summit on the Information Society. ■

ASIAN DEVELOPING COUNTRIES

Since 1999 a programme called "ASIA IT&C" has enabled support for nearly 40 different ICT application projects in fields like agriculture, education, health transport, tourism and electronic trade. This was the first programme of its kind and is now undergoing intermediate evaluation. The results should be used in guidelines for future action.

PARTNER MEDITERRANEAN COUNTRIES

Cooperation includes a "New Approach for Telecommunications Policies" (NATP) and a programme for the development of the "Euro-Mediterranean Information Society" (EUMEDIS). This provides for support to projects in five priority fields: education, health, tourism and cultural heritage, electronic trade and finally the distribution of ICT to SMEs. A complementary initiative aims to strengthen the interconnection between the research and education networks of the EU and its partners to the south and east of the Mediterranean.

LATIN AMERICA

A potentially more ambitious project was approved recently for these countries. The "Alliance for the Information Society" (@LIS) programme aims to strengthen dialogue and cooperation on e-strategies and regulatory frameworks in fields like telecommunications, electronic trade and standardisation. The programme anticipates boosting the interconnections between the research and education networks of each region. Finally it plans to implement about 20 projects aiming at the appropriation of technologies in fields like education, health, e-government and, more generally, e-inclusion.

Yes,

ICTs are on Africa's agenda!

Speeding up Africa's development programme through the use of information and communication technologies (ICTs) has been the subject of much debate on the continent for the past decade. This has led to the launch of several initiatives, programmes and activities aimed at creating digital opportunities in priority areas such as education, health, agriculture and trade. This article presents the major activities under way for the development of ICTs in Africa and recommends critical areas for consideration in making the African digital agenda a reality.

Karima Bounemra Ben Soltane *

In 1995, following the Regional Symposium on Access to Telematics in Africa organised in Addis Ababa, Ethiopia, by the Economic Commission for Africa (ECA), the ITU (International Telecommunications Union), UNESCO, the International Development Research Centre (IDRC) and the Bellanet Secretariat, 53 African countries¹ appointed a high level working group mandated to develop a vision and an action plan for the effective use of ICTs to support the continent's development. A broad consultative process resulted in the "Africa Information Society Initiative (AISI): An Action Framework to Build Africa's Information and Communication Infrastructure". This document formed the basis for the implementation of an African digital agenda.

Most of the substantial work taking place in Africa is being implemented within the framework of the African Information Society Initiative (AISI) and by members of Partnership for ICTs in Africa (PICTA).

African ministers were convinced that building an information society would stimulate growth and provide new opportunities in education, trade, healthcare, job creation and food security, thus helping countries leapfrog stages of development and raise their standards of living. They called upon all stakeholders to implement AISI objectives.

AISI was also endorsed by both the African Regional Telecommunication Development Conference organised by the ITU and held in Abidjan in May 1996, and the Organisation of African Unity (OAU) at its July 1996 summit in Yaoundé. In 1998, the African Ministers of Communication launched the African Connection initiative in Johannesburg and supported AISI. Later, in 2001, AISI served as a basis for the African Common position and was adopted as the regional component of NEPAD's ICT programme.

At the G8 Summit held in Denver Colorado in June 1997, heads of state and government issued a communiqué stating: "A number of African countries are making impressive efforts to harness the information revolution in support of democracy and sustainable development. We welcome the Africa Information Society Initiative. We support their efforts to establish information networks to link African countries with each other and to the rest of the world."

Defining the priorities

With AISI, Africa was the first region to define a vision and an implementation plan to establish an information society. This happened years before the rest of the world started addressing digital divide issues or the organisation of a world summit concerning the information society.

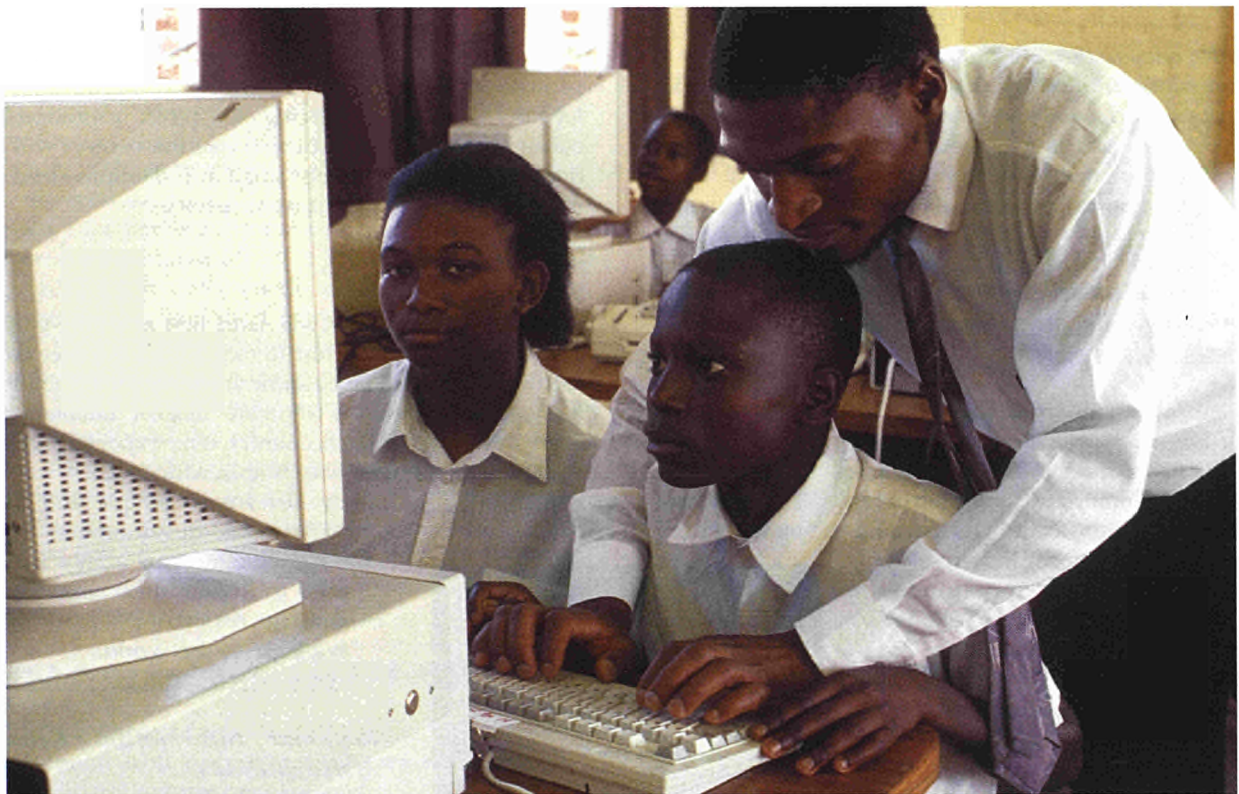
The AISI document outlines a comprehensive framework aimed at creating digital opportunities to benefit the economic and social development of African countries. Its priorities were further defined in October 1999, during the first African Development Forum (ADF '99), where 1,000 participants recommended prioritising selected areas. They also identified the development of an enabling policy environment as a prerequisite to any sustainable activity in the ICT field and urged African countries to galvanise ICTs in the three major sectors that pose pressing development challenges - education, health and trade.

The outcome of ADF'99 served as a basis, in May 2001 for the "Common Position for Africa's Digital Inclusion: Recommendations of the meeting on Africa's Contribution to the Dot Force and the UN ECOSOC panel on Digital Divide". This position came as a result of the 2001 meeting of the African Technical Advisory Committee (ATAC), mandated by African decision-makers to guide the implementation of AISI. The meeting was attended by representatives of the four African members of the G8 Dot Force (Egypt, Senegal, South Africa and Tanzania) and several partners in ICT development (UNESCO, ITU and Africa Connection).

The joint efforts to realise an ICT agenda in Africa culminated in July 2001 during the Lusaka OAU heads of States Summit with the inclusion of a chapter on the digital divide in the NEPAD document (then known as the New African Initiative or NAI). NEPAD identified ICTs as a priority area that should be fast tracked. The document broadly defines ICT activities in support of NEPAD objectives. More detailed action plans are being designed under the leadership of Senegal, which is responsible for the infrastructure component of NEPAD.

ECA believes that developing a durable information society in Africa should be organised around seven main groups of activities:²

- creating awareness among decision-makers to ensure real national leadership and ownership of the process;
- establishing favourable policy environments to attract



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Building an information society would stimulate growth and provide new opportunities in education, trade, healthcare, job creation and food security, thus helping countries leapfrog stages of development and raise their standards of living.

investment, mainly from the private sector, which has not been very successful so far;

- developing an ICT infrastructure, as no viable digital opportunity can emerge in the current environment;
- selecting priority sectors for the use of ICT, beginning with the main development challenges of African countries;
- building human and institutional capacity, taking into account all the steps of the process: planning, implementation, monitoring and evaluation;
- monitoring progress and measuring impact to assess whether there is actual progress and impact on economic and social development;
- building strong alliances to involve all potential national and international actors.

Major initiatives underway

Creating a digital vision for Africa is a major achievement in itself and a positive first step, but it is not enough. It is vital to move from ideas and plans to implementation. In the past few years several initiatives have been launched by various development partners, including bilateral and multi-lateral organisations, the donor community and the countries themselves. Many good examples and best practices exist. More than 20 countries have adopted national ICT strategies and are mainstreaming ICT in poverty reduction programme activities.

The Acacia Initiative:

communities and the information society in Africa

The IDRC Acacia Initiative aims at empowering Sub-Saharan African communities with the ability to apply ICTs to their own social and economic development. ACACIA was designed as an integrated programme of demonstration projects as well as research and development to address issues of applications, technology, infrastructure and policy. ACACIA supports Canada's contribution to the AISI's goals. Substantial results have been realised in Senegal, Mozambique, South Africa and Uganda.

(<http://www.idrc.ca/acacia>)

African Connection (AC)

The African Connection (AC) is the African Telecommunications Union (ATU) five-year plan of action. Its objectives are to improve telecommunications, broadcasting and information technology infrastructure and applications. In 1998 AC was launched, the culmination of two years of extensive deliberations of 44 African Ministers of Communications to develop a strategy that would make the continent an effective participant and beneficiary of the global information society.

(<http://www.africanconnection.org>)

African Information Society Initiative (AISI)

AISI is an action framework that has been the foundation for information and communication activities in Africa for the last five years. AISI is not about technology, it is about giving Africans the means to improve the quality of their lives and fight against poverty. AISI is Africa's common vision for its quest not only to bridge the digital divide between Africa and the rest of the world, but more importantly to create effective digital opportunities to be developed by Africans and their partners.

(<http://www.uneca.org/aisi>)

Building Digital Opportunities (BDO)

Building Digital Opportunities is a major new initiative by the UK's Department for International Development (DFID) and the Netherlands' Department for International Development Cooperation (DGIS). It is a package of cross-sectoral initiatives to address key barriers and opportunities for ICTs in achieving development targets. A minimum of €13 million has been allocated in 2001-2004 to the Commonwealth Telecommunication Organisation's work on policy-making and regulation, work by the International Institute for Communications and Development on national sectoral ICT strategies, community radio by the international group AMARC, work on information resources by the Panos Institute and the development portal by OneWorld Online.

Francophonie Information Highway Fund

The Francophonie Information Highway Fund (*fonds pour les inforoutes*) finances projects that encourage adoption and use of information highways through creation of French content in the areas of youth, culture, education, research, economics, law, journalism, tourism and the arts. This fund enabled the development of African web presence in several West African countries.

(<http://www.francophonie.org>)

IICD ICT activities

IICD works with local partners mainly in Burkina Faso, Ghana, Mali, Tanzania, Uganda, and Zambia, assisting them to achieve locally-owned sustainable development by harnessing the potential of information and communication technologies.

ITU's Internet training initiative

The ITU's "Internet Training Centres Initiative for Developing Countries (ITCI-DC)" is a multi-million dollar project that aims at closing the gap in Internet and new economy skills in developing countries. It is viewed as a tan-

gible contribution to sustainable development in a partnership approach. ITU plans to establish 50 training centres to provide skills in Internet Protocol (IP) networking and services by July 2003 in existing non-profit institutions in developing countries. It is expected that the centres will also function as incubators to help small and medium-sized enterprises to develop Internet-related services.

(<http://www.itu.int>)

Leland Initiative

The Leland Initiative was launched as a five-year, \$15 million US government effort to extend full Internet connectivity to 20 or more African countries. The initiative builds on existing capacity with the ultimate aim of facilitating Internet access throughout each country. The expected results are:

- improving connectivity within Africa;
- increasing access by Africans to people and information for sustainable development;
- enhancing African ability to find solutions to African problems;
- making African-produced information available to the world.

(<http://www.usaid.gov/leland>)

Regional Information Network for Africa (RINAF)

RINAF is a framework for cooperation within UNESCO's Intergovernmental Information Programme (IIP), initiated in 1992 to strengthen the public sector and civil society capacity to exploit information and communication technologies for development. RINAF is working to include all sectors of society including rural, isolated and other disadvantaged communities. Forty-three African countries participate through national focal points.

(<http://www.unesco.org/webworld/informatics/rinaf.htm>)

United Nations Development Programme (UNDP) Initiatives

The Sustainable Development Networking Programme (SDNP) is one of the oldest ICT initiatives. It addresses issues and problems resulting from ICT and how they affect developing countries. SDNP planned to enhance the capacity to integrate sustainability and inter-sectoral environment-development concerns in decision-making at all levels in developing countries through the application of computer mediated communications and ultimately, the use of the Internet as well as other global networks.

In 1997, UNDP launched the Internet Initiative for Africa (IIA) to enhance national Internet infrastructures and promote the development of national and regional backbones, including a strong component for building national technical capacities and telecom skills in 15 African countries. The programme is based in Accra, Ghana. More recently, UNDP launched the Digital Opportunity Initiative

"A number of African countries are making impressive efforts to harness the information revolution in support of democracy and sustainable development"

G8 Summit, Denver Colorado June 1997:
Heads of state and government communiqué

(<http://www.undp.org>)

Digital Opportunity Task Force (DOT Force)

The G8's Digital Opportunity Task Force (DOT Force) was created by the G8 Heads of State at their Kyushu-Okinawa Summit in July 2000. It brought together 43 teams from government, the private sector, non-profit and international organisations representing both developed and developing countries in a cooperative effort to identify ways in which the digital revolution can benefit all the world's people, especially the poorest and most marginalised.

The DOT Force examined the challenge of bridging the digital divide and harnessing the power of ICTs and global networks to assure opportunity, empowerment and inclusion for all. It analysed the underlying causes of the digital divide, the poverty-reducing and empowering potential of new technologies, and the complex mix of strategies, policies, investments, and actions required to create digital opportunities for all while addressing key development imperatives.

(<http://www.dotforce.org>)

UN ICT Task Force and its African Stakeholders Network

The ICT Task Force of the United Nations was set up by Secretary-General Kofi Annan to find creative and quick-acting means to spread the benefits of the digital revolution and avert the prospect of a two-tiered global information society. The Task Force represents the public and private sectors, civil society, the scientific community and leaders of the developing and transition economies as well as the most technologically advanced. Operating under the aegis of the UN, it is well positioned to build strategic partnerships and to meld diverse efforts.

At its November 2001 meeting the network decided to promote consultations through regional networks. In this context, the African Stakeholders Network (ASN) was launched in January 2002 to ensure that UN efforts to bridge the digital divide in Africa are better coordinated, more inclusive and reflective of the significant efforts already underway to develop an African information society. The ASN was set up at the end of a consultative meeting that brought together representatives from governments, development agencies, donors, private sector, civil society and non-governmental organisations.

(<http://www.unicttaskforce.org>)

Time to turn ideas into reality

Numerous African countries are creating a clear vision for inclusion in the global information society. What to do is no longer the issue. The main challenge now is to turn these ideas into reality and to sustain the implementation process.

All stakeholders are encouraged to take an active part in this process as they all have an important role to play. Efforts of the international development community, which pioneered most of the ongoing projects, should be maintained and reinforced. Civil society organisations have also been dynamic and innovative. Today African governments are taking the lead, particularly after the adoption of the AISI in

Contributing to capacity building

ECA is contributing to capacity building with its Information Technology Centre for Africa (ITCA). Launched in 1999 it is a major advocate of the effective use of ICTs among the region's senior policy makers.

The centre also works to strengthen networks among partners. It provides training and advisory services, organises conferences and workshops and has mounted ICT exhibitions. The centre is implementing onsite, distance learning, and outreach services in various areas of ICT for development. ITCA has become an information-sharing platform and learning centre for African policy-makers and planners on the value of ICTs for African development.

1996 and the launch of NEPAD in 2001.

However, the private sector needs to become more proactive. Its involvement is far below the levels of expectation and capacity. Private sector participation is not the only solution to faster development of the sector, but could give it a substantial boost. ■

For more information:
www.uneca.org/aisi.

* Director, Development Information Services Division, Economic Commission for Africa (ECA)

1. The fifty-three African ministers of social and economic development and planning adopted Resolution 795 (XXX) "Building Africa's Information Highway" during the twenty-first meeting of ECA Conference of Ministers. In response to this resolution ECA appointed a High-Level Working Group on ICTs in Africa to draft an action framework to utilise ICTs to accelerate the socio-economic development of Africa and its people. More information can be found in www.uneca.org/aisi

2. *Implementing a digital agenda in Africa: the role of the African Information Society Initiative*, Connect-world Africa magazine, Annual issue, 2001

Plugging in the rural world: hope tempered with scepticism

With easy access to the Internet now commonplace, governments, NGOs and researchers are looking into applications to benefit the rural world. However, the use of information and communications technologies (ICTs) is hampered by the purchase and running costs of equipment, poor deployment and expensive access to the Internet.

Eyoun Ngangue

The final report from the December 2001 CTA (Technical Centre for Agricultural and Rural Cooperation in ACP countries) seminar on ICT Strategies for Federations of Farmers' Organisations at Douala, Cameroon, points to factors limiting the use of ICTs in the southern hemisphere. However, Jacques Bonjawo, an engineer originally from Cameroon and now pro-

gramme manager in the MSN.com division of Microsoft at Redmond, Washington, outlines a more optimistic point of view in his book *The Internet, an Opportunity for Africa*.

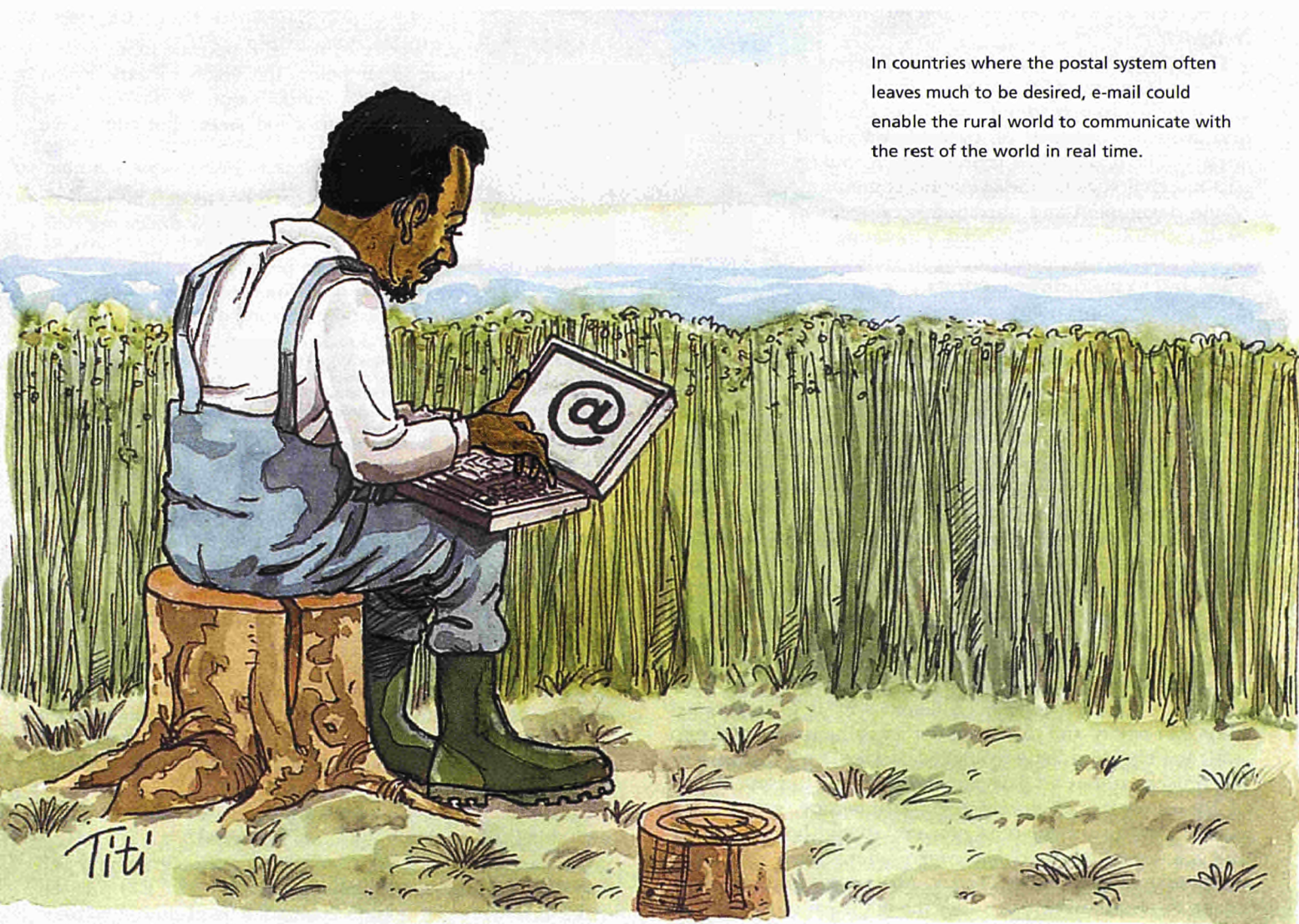
Revolutionising the rural world

He outlined to *The Courier* the reasons for hope, citing the example of Bangladesh where the Grameen Phone project is revolutionising the rural world. It works as follows: a woman receives a loan with which she buys a cell phone that she rents out to various users in the countryside. With the rental income she repays her loan and can communicate with the outside world. At the same time, this enables others to communicate.

"If the rural world in Bangladesh can do that with a cell phone in such a short time, why can't Africa have just as much success with the Internet?" he asks.

Using lending libraries as an example, he believes it is not a matter of purchasing PCs in rural regions of Africa; rather it is one

In countries where the postal system often leaves much to be desired, e-mail could enable the rural world to communicate with the rest of the world in real time.



of promoting community initiatives to open up the countryside using ICTs.

Annie Chéneau-Loquay, Research Director at the CNRS research centre in Paris and coordinator of the publication *Communication technologies and Africa – from the telephone to the Internet*, remains sceptical as to the ability of rural Africans to make use of the Internet:

“It would be impossible for most people, because they cannot read or write. There has been much talk of community telecentres, but the one in Timbuktu in Mali, for example, is mainly used by people with no link to the rural world. Good internet penetration into the African countryside depends on the creation of an improved rural telephone network. Countries such as Senegal, Ghana and Kenya are far ahead of other African countries in terms of the extent and use of their telephone network.”

South Africa is also in the vanguard with its policy that every citizen be within 30-minutes travel of a telephone. Congolese Ntambue Tshimbulu, a researcher at Maison des Suds in Talence, France (Bordeaux campus) and author of *The Internet, the web and e-mail in Africa* cites the case of Mauritius, where the government has set up a micro-credit system to enable country dwellers to buy computers.

A formidable tool

Annie Chéneau-Loquay advocates a more realistic approach and favours the establishment of information resource centres within rural administrative structures such as town halls or post offices. Fully equipped with fax machines, computers and telephones, such places could open up rural areas to the outside world.

Gilles Mersadier shares this view. As Internet manager for Inter-Réseau, an NGO with 28,000 members, he has for two years been organising training sessions for those training peasant farmers in Africa. This is particularly important because cooperatives, farmers' organisations and federations have increasingly weighty responsibilities.

“After structural adjustment plans, rural organisations have to acquire their own equipment and inputs, hence the need for them to be able to communicate with the capital and even abroad from provincial towns and cities,” he explains.

For them, the Internet is a formidable tool: “One of my contacts was delighted to find that he could download an FAO (Food and Agricultural Organisation) report on his country that he had been requesting from the agricultural authorities in the capital for six months.”

A number of observers believe that in countries where the postal system often leaves much to be desired, e-mail will enable the rural world to communicate with the rest of the world in real time. Future applications include rural telemedicine, which according to Jacques Bonjawa has enabled Senegalese doctors to assist Gambian colleagues, via a remote link, in caring for country dwellers.

Electronic scribes – giving a voice to the rural world

The Internet's main use for those involved in work with the rural world is primarily as an effective vector of information. For example, community radio stations are more useful for their target populations, with whom they communicate in the majority of cases in local languages. The same applies to the agricultural press.

With a view to giving a digital voice to the rural world, Annie Loquay and Gilles Mersadier advocate a system of “public scribes”, who would draft e-mails for illiterate clients. All such cases would require training by an Internet “mediator”. Jacques Bonjawa foresees another simple application of the Internet to benefit the rural world: the presentation of craft and countryside products on a website within the fair trade system, enabling craftsmen to reach numerous potential clients.

In the same way, the Internet could act as a regulator in the event of over-production and under-production between two regions. Says Gilles Mersadier: “E-mail allows people to exchange experiences, procedures and products between organisations in the same country or different regions. People can also get remote advice.”

In an attempt to expand the Internet into the countryside, certain countries and programmes have set up Internet caravans that tour rural areas. The Observatory on Information Systems, Networks and Information Routes (OSIRIS) in Senegal is a good example of this. However, it is political will that will enable the telephone network to be extended into the countryside.

A matter of infrastructure... and access

Jacques Bonjawa maintains that the infrastructure battle is the first one that has to be fought. To do so requires collaboration among public agencies, donors and the private sector if fibre-optic projects, underwater cables (for instance the project Africa.one) or a future African satellite are to succeed. Gilles Mersadier is in favour of promoting an “associative, community Internet service as part of the Globenet Sud project, with free hosting, federations of associations for running servers and technical platforms for improving passband in the Southern Hemisphere”.

The Telecommunications Newsletter reports that fewer than one per cent of Africans had Internet access in late 2001. Will the opening up of the communications sector in those southern hemisphere countries that experienced the GSM boom really lead to an explosion of Internet access?

These hopes and dreams may come to fruition if local radio loops, amateur radio stations, satellite communication link-up units and GSM are able to expand Internet access. For the time being, it has to be hoped that they will, but such hope is tempered by scepticism. In the meantime, another debate is looming concerning content from developing countries. ■

For more information:

www.africanti.org

www.inter-reseaux.org

www.osiris.sn

Jacques Bonjawa: *The Internet, an Opportunity for Africa*, Khartala, 2002.

Coordinated by Annie Chéneau-Loquay: *Communications technologies in Africa – from the Telephone to the Internet*, Khartala et Regards, 2000

Raphaël Ntambue Tshimbulu: *The Internet, the web and e-mail in Africa*, L'Harmattan, 2001

Enhanced development through ICTs

The rapid technological and market advances in the area of information and communications technologies (ICTs) have been largely restricted to industrialised countries. Many developing countries still lag behind in the so-called "digital revolution".

It is time for the European Commission, in cooperation with its ACP partners, to launch a strategic ICT programme.

Karin Junker*

The term "digital divide" in itself illustrates that not all countries have profited equally from ICT developments. There is now a huge gap between those countries and individuals who have access to ICTs and those who have not. A policy aiming at narrowing this digital divide would also have to use ICTs to reach the basic development policy goals.

This was clearly stated by the G8's Digital Opportunities Task Force report, *Digital Opportunities for all: meeting the challenge*, submitted to the July 2001 G8 Summit in Genoa. It proposes an eight-point action plan that must be part of ACP-EU cooperation. The European Commission has launched programmes for partnerships on ICTs for the Mediterranean, Latin America and Asia. However, a similar programme for the ACP countries is still missing, despite the urgent need to develop a coherent EU strategy.

This disinterest is gradually diminishing. Awareness has risen on both the donor and the ACP side. The New African Initiative (now re-named NEPAD – New Partnership for African Development), launched by a group of five African leaders in July 2001, called for African States to "extricate themselves and the continent from underdevelopment and exclusion in a globalising world". Here, ICTs feature explicitly as part of the overall strategy. The Commission should also recognise the need to include the question of ICTs in drawing up their respective "country strategy papers" and add this issue to the existing ones.

A dialogue on access

Within the context of the ACP-EU partnership, increasing awareness has also resulted from an extensive discussion concerning the inclusion of ICTs in the development strategy within the ACP-EU Joint Parliamentary Assembly. This discussion culminated – but it is certainly not the last word – in the *General Report on means of access to global communication for ACP countries as a contribution to sustainable development, and the need for such access*, unanimously adopted at the Joint Parliamentary Assembly in Brussels in November 2001.

The report points to the importance of including ICTs in the development strategy of the ACP-EU partnership. It states that ICT strategies in developing countries must place the social

benefits and the general good at the forefront alongside justified economic interests. The aim is to improve basic ICT infrastructure in rural and remote areas and to meet the basic needs of the population instead of trying to imitate developments within the industrialised countries.

At the same time we are convinced that privatisation, liberalisation and reform in the ICT sector will bring economic benefits for the national economies and is a prerequisite to persuade foreign investors to enter the market in ACP countries, thus enabling the countries to achieve their ICT-related goals.

The report also stresses the need to set up regulatory frameworks and independent regulatory authorities specific to each country that consider both commercial and public interest relating to the general good. Furthermore, in all countries there is strong need not only for technical infrastructure but also for institutional and human capacity building.

Using "old" information technologies

The report also makes it clear that when considering ICTs and development one must not forget the "old" information technologies such as telephone, radio, television and printed materials. The availability of sufficient numbers of – private or public – telephones and fax machines is indispensable.

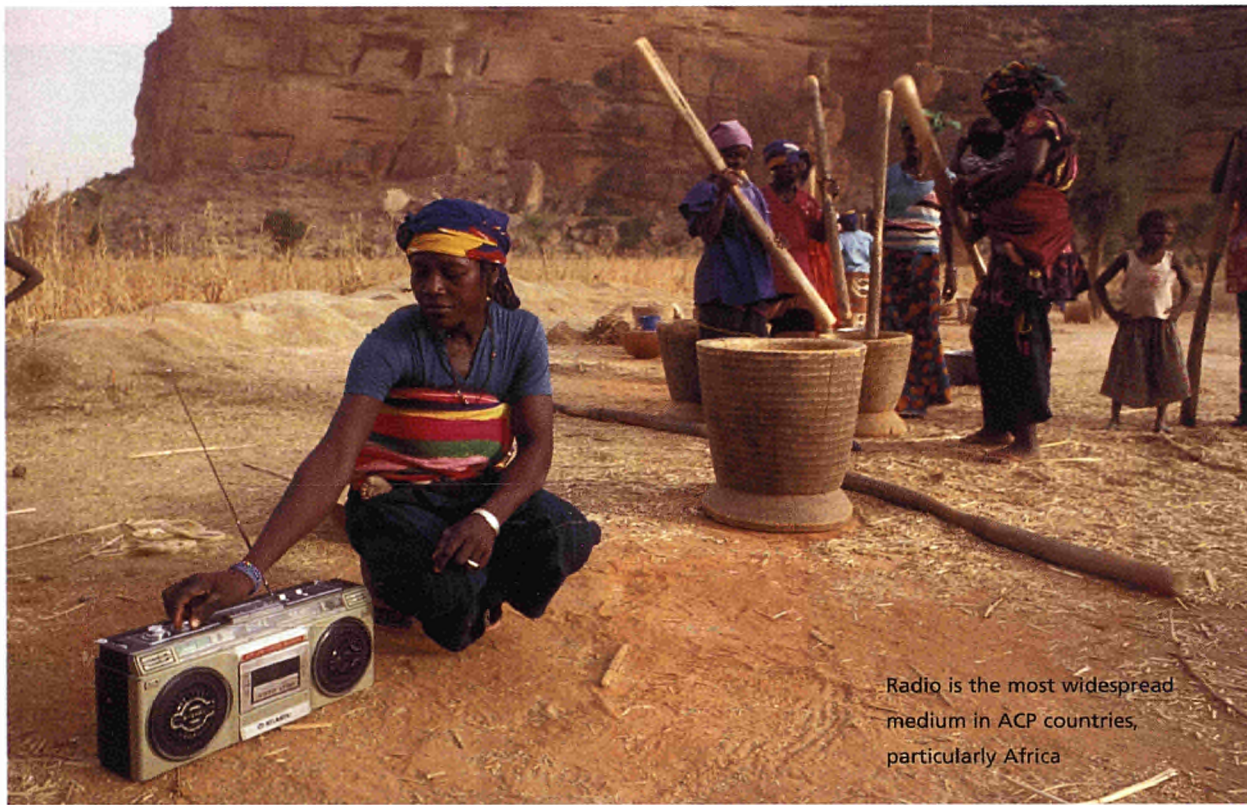
It therefore also calls for at least one public coin-operated telephone to be installed in every village and settlement to meet the population's basic information needs. For larger settlements, a telecentre with a telephone and fax service and, if possible, internet access should be provided.

The existence of well functioning telephone networks is necessary for the use of e-mail and the internet. Access to global communication can be gained not only through ICTs – which currently dominate the debate and political activities – but also through traditional media and means of communication.

The example of a cooperative of female fish traders in Senegal shows what a tremendous success the combination of the use of ICTs together with traditional development aid can have. Basic literacy training, computer courses and the availability of loans for small businesses enabled these women to set up their cooperative. They are now planning to use e-mail to sell the catch to Europe via the internet, thereby bypassing the middlemen and keeping the profits themselves. This successful project required nothing more than one public telephone and basic computer-equipment.

Using the airwaves – radio is widespread

Radio is the most widespread medium in ACP countries, particularly Africa; it transmits information to the most remote regions. Targeted use of it can also be made to disseminate content and knowledge, for example in the field of health education. Radio can be used for school programmes transmitted by local and/or national stations. This is highly recommended in areas where it is impossible to offer adequate schooling due to



Radio is the most widespread medium in ACP countries, particularly Africa

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the sparse population and a lack of teaching staff with adequate knowledge of local languages.

Radio is also extremely useful in adult education. Radio stations, politicians and civil society should work together to ensure that suitable content is produced and disseminated. This is an area where donors could find scope for valuable projects. This also applies to television and printed matter, which in the majority of ACP countries do not reach the same wide audience as radio. ICTs can and should be used to improve the programming, quality and dissemination of these "old" information technologies.

Focusing on development goals

As far as education and content is concerned it is clear that neither the use of ICTs nor the traditional technologies can be separated from basic development goals such as eradication of poverty, promotion of democracy, good governance, the participation of civil society and especially the freedom of the press. UN Secretary-General Kofi Annan believes that a free press is one of the main components of a democratic society and the prerequisite for social and economic development.

ICTs can provide powerful new tools, particularly now that enhanced technologies such as solar energy and mobile telephony offer new conduits for implementation. Within the ACP-EU context, we must also increase awareness on all sides about the chances ICTs offer for development cooperation. Hopefully this will soon materialise through a European Commission strategic ICT plan for ACP countries.

In the light of the upcoming UN World Summit on the Information Society and the related conferences in Geneva 2003 and Tunis 2005, it is important not only for the Commission and the ACP countries but also for the Joint Parliamentary Assembly to engage constructively in this process. A further step in this direction will be a workshop on ICTs and development, foreseen within the framework of the next Joint Parliamentary Assembly which will take place in Europe in autumn 2002. ■

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Why, what and who

it's time to ask the questions

Today, "www" is a recognisable brand for the World Wide Web, the cyberspace that should be without borders. But we do have borders. Not traditional ones, but those between the haves and the have-nots. Today, we need to ask ourselves: Why make an extraordinary effort in relation to information and communication technologies (ICTs) and developing countries? What do we need to do and who should do it?

Lone Dybkjær*

One might argue that the history of mankind could be written around the introduction of new technology. Any society not ready to integrate new technology risks to be even more excluded and widen the gap even further. We have observed this trend for many years now. In 1960, the 20 per cent of the world's people in the richest countries had 30 times the income of the poorest 20 per cent; in 1990, they had 60 times as much and in 1997, 74 times. The figure is no doubt higher today and we keep adding more and more least-developed countries to the list.

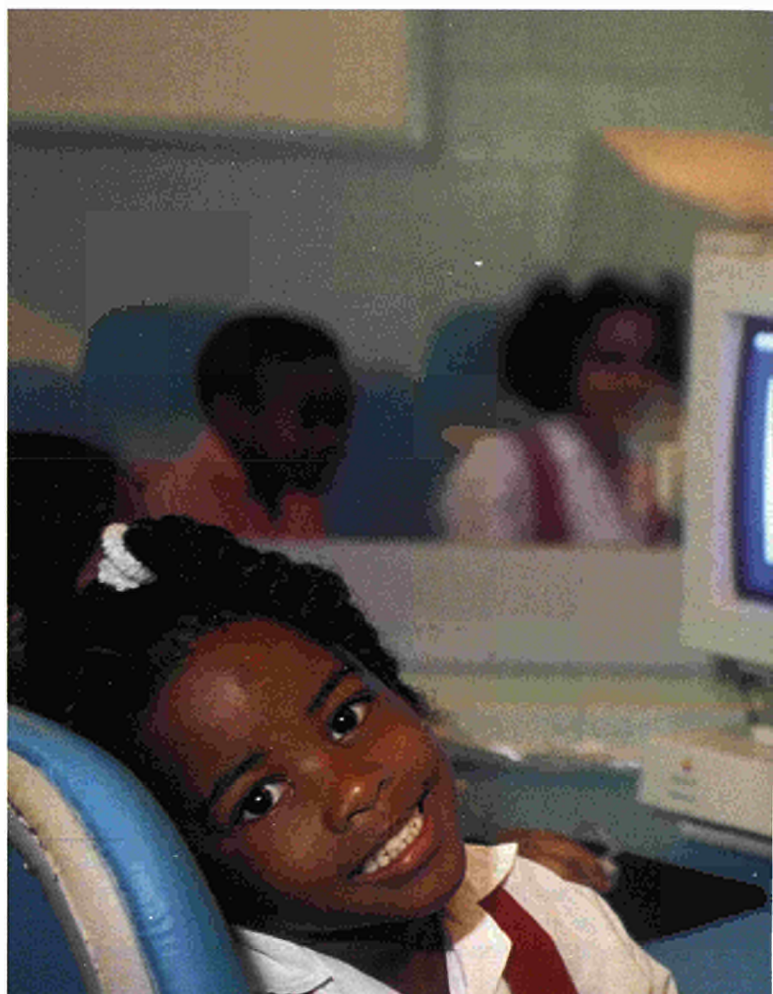
The question of why

There is consensus that developing countries, in addition to traditional development issues such as health, education, capacity problems, and trade barriers, risk further exclusion because of the danger posed by lack of access to ICTs. This lack denies developing countries the opportunity to take advantage of the increased globalisation of trade, investment and the exchange of services, which is in turn a result of the spread of ICTs. This concern is also reflected in the European Parliament report, *ICTs and Developing Countries*.

Used properly, ICTs could help to realise traditional development goals as well as provide an important transformation of the old economy due to changes in working structures, organisation and the reshaping of the economy. Developing countries are threatened by a number of specific dangers because of their lack of access to and knowledge of ICTs.

For example:

- developing countries will not experience the possible dynamo for growth and job creation that ICTs could deliver.
- companies in developing countries will be unable to supply the private sector in the industrialised world if their procedures/accounting systems/e-commerce facilities are not sufficiently developed. They risk being excluded from the new value chain and may well be severely prejudiced by dramatically increased global competition to domestic economies created by the introduction of new electronic networks.



- new international capital will go to countries with the necessary facilities to support the modern economy.
- developing countries will not get access to the knowledge that public, private and academic sectors make available publicly through the internet.
- educational systems risk becoming outdated if they cannot take advantage of new technologies.

In fact the "why" is easy. The difficult question, however, is when we ask "what".

What should be done?

To date there has been no agreement on this question, not even between the European Parliament and the Commission. It seems that most people agree that we should utilise ICTs as much as possible in the sector programmes. Of course these should be adjusted according to the state of development in the countries in question.

The disagreement appears to centre on the following issue: in addition to the sector-programmes should we make an extra effort? Various opinions exist. Some believe ICTs should

Educational systems risk becoming outdated if they cannot take advantage of new technologies.



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A concerted effort is needed

This development cannot be socially acceptable if left to market forces alone. Without substantial private investment, we cannot succeed. It is an absolute necessity to involve the donors and through them secure publicly supported or defined criteria. If we compare ICTs with other large sectors in the industrial world, such as electrification, telecommunications, water and sanitation, we see that in Europe they began as small, private enterprises. They then became public utilities or state owned companies that were subsequently privatised.

If private industry were to be the starting point in the telecommunications sector, strong conditions and commitments would be required to ensure that the supply also goes to rural districts and to the poor. Otherwise, it will result in an even more inequitable society than we have today.

Donors, governments and politicians have a key role to play. However, we cannot succeed without a much higher level of business investment in ICTs in developing countries. As a result, we need a concerted effort from the ACP side to ensure that the regulatory framework is in place and that developers with the right spirit are supported and nurtured.

The European Parliament has tried to put ICTs on the agenda and is pushing them higher. We have, among other initiatives, proposed that an e-Development Unit be created within the European Commission to ensure that ICTs are mainstreamed in all relevant areas of development policy and programming.

The Commission has reacted by pursuing a limited strategy. Now is the time for ACP countries to react. Without their demands on donors to respond and fund potential projects, there will be no progress. The European Parliament is an ally and will support any type of initiatives that will lead to progress in this very important area. ■

* Member of the European Parliament (MEP) and European Parliament Rapporteur on the report *ICTs and Developing Countries*

only be used in the various sector programmes. Others argue they should be a new priority area or that they should be a driving force in the coordination and structuring of the sectors to create a synergy effect. I believe in a holistic approach, which leads to the latter.

The reason is that ICTs will create enormous changes in the way we have traditionally organised ourselves and to a much greater extent than we are aware of today. This is because ICTs break down traditional hierarchical structures and in their place create horizontal networks, whereas the old structures were vertical. When one starts building up a society from the very beginning as is often done in many developing countries, there is no need first to create hierarchical, vertical structures and then break them down to create horizontal structures. We should move directly to the horizontal.

We must do this with our eyes open. ICTs are not a miracle answer to all the problems in the developing world, but they can give countries the possibility to "leapfrog" development. This development does not happen by itself, which is why we must ask ourselves who is going to do the job.

ICT developments and

in the ACP Caribbean and Pacific regions

As the publication of this special dossier indicates, information and communication technologies (ICTs) play an increasingly prominent part today in international discourse on social and economic development. From the G8 DOT Force and the UN ICT Task Force to regional initiatives by Southern governments and policy re-evaluations by Northern bilateral development agencies, there is an increasing consensus that ICTs can and do make an important contribution to development. Access for all to basic telephony, increased accessibility of internet, the development of local content and the dissemination of positive experience in the application of ICTs for development purposes are all new preoccupations of the development community.

Dr David Souter*

This new policy approach is focused on the capacity of developing countries (and their peoples) to take up the "digital opportunities" represented by new technology and to address the various "digital divides" (international, intraregional, intranational) resulting from differential access to ICTs and limitations of income, literacy and other tools of engagement with it. The European Commission, like the bilateral agencies of its member-governments, has been feeling its way towards a new approach to these problems in its development policy.

Most of the discourse, however, has been concerned with larger countries – in particular, middle-income countries such as those in Latin America, which experienced relatively early restructuring of the telecommunications sector, and low-income countries (especially in Africa) in which the divisions of the "digital divide" seem likely to be most recalcitrant – and, for the European Community at least, with countries in Central and Eastern Europe on the accession route. Much less attention has been paid to the small and micro-states such as the Caribbean and Pacific island nations that form the primary focus of this article.

Small island (and similar) states make up a substantial number of countries in the ACP group – more than 30 out of the total of 77 – though in demographic terms these account for a relatively small proportion of the total population in the group. They make up similar ratios of the Commonwealth of Nations with whose ICT development the author's agency, the CTO (Commonwealth Telecommunications Organisation) is primarily concerned. Their particular development problems and characteristics, across the board, are familiar to both CTO and the European Commission.

Three particularities are especially important: the shortage of resources (including human resources) for social and economic development, the limited size of national markets, and the remoteness and (in the case of archipelagos) internal dispersion of island states.

These three factors have had a particular impact on the experience in small island states of the crucial changes which have taken place in ICTs in recent years. Since the beginning of the 1980s,

almost all national telecoms and information technology markets worldwide have been transformed by technological innovation, product diversification (especially the introduction of mobile/cellular telephony and internet) and market restructuring (particularly privatisation, liberalisation and the introduction of independent regulation). Beginning in Europe and North America, these trends have spread rapidly – first in Asia and Latin America; more recently in Africa, almost all of whose countries are currently restructuring their telecom sectors and have already seen mobile telephony overtake the number of fixed telephone lines. Liberalisation and independent regulation, in particular, have become lynchpins of the WTO's Agreement on Basic Telecommunications Services, which most developing countries have signed or aim to sign.

But these trends have been much slower in the small island states of the Caribbean and Pacific.

New technologies and new products and services are always likely to be introduced more slowly in regions which lack the resources for regular capital investment or modernisation and whose markets lack the critical mass to sustain technological diversity or product diversification. Cellular telephony – now more widespread than fixed networks in many "mainland" developing countries – was slower to take off in the Caribbean, for example, than in "neighbouring" Latin America, and cellular networks are only now, in 2002, being deployed for the first time in some Pacific countries, including the largest, Papua New Guinea.

The relatively slow pace of change in telecom sector restructuring – crucial to the development of access to ICTs and the implementation of developmental applications – is even more marked. The economics of telecom network deployment changed dramatically across the globe in the late 20th century as a result of technological innovation, service diversification and growth in market demand. Historic assumptions of natural monopoly in service delivery at least, and in many cases also in network deployment, were abandoned in the face of growing evidence that liberalised telephony markets could sustain a number of commercial competitors and provide better and more widespread service than monopolies. Privatisation (bringing in private sector investment) and independent regulation (to manage the transition from monopoly to competitive markets) were natural concomitants of liberalisation. There is now, far more than in other infrastructure sectors, a near-universal consensus in favour of private sector operations and competitive markets in ICTs, which has led (or is leading) to sector restructuring in almost all countries (and which has already seen mobile telephony become competitive with rather than complementary to fixed services).

The economics in small island states, however, is different. The case for natural monopoly – in service provision as well as network deployment – has remained stronger in countries with very small and distinct markets such as those in the Pacific and the Caribbean. Small (and, in the Pacific, geographically dispersed) markets provide much less scope for diversity in infrastructure technology – though, at the same time, new technologies may dramatically improve the commercial viability of network deployment and service provision. Small market size means that most new services will take a long time, at best, to become profitable – including basic telephony in remote islands, or relatively attractive services like



Telephone kiosks, St Lucia

Small island (and similar) states make up a substantial number of countries in the ACP group – 30 out of the total of 77. But, in the discourse on ICTs, less attention has been paid to small and micro states such as those in the Caribbean and Pacific states, which have particularities such as remoteness and a shortage of resources.

internet which depends on expensive international connections – while remoteness (at least in the Pacific) makes hardware expensive for end users or even community service providers (such as telecentres) to import. The lack of expertise in ICT skills – both amongst professionals and consumers – that is inevitable in small societies is exacerbated by the opportunities ICT skills give potential emigrants.

Most marked of all has been the relatively slow pace of sector restructuring, especially in the Pacific – where liberalisation of fixed networks is in its infancy, competition from cellular networks underdeveloped, and where private sector management of telecoms service provision has even reduced in some countries in recent years. Already on the margins of many development initiatives, the Pacific region has found it particularly difficult to accumulate the critical mass required to move forward rapidly in the deployment of ICTs.

Many of the same factors apply within the Caribbean region, but with two crucial differences – the first of which is geographical. Caribbean countries have two relative geographical advantages over the Pacific: they are less remote, particularly from the hub of the ICT revolution, the United States; and they are mostly single-island states, with concentrated markets, rather than dispersed archipelagos.

The second major difference is the established position in many of the island states of the same, multinational, telecommunications service provider, Cable & Wireless. Once part of the British public sector but now a global company focused on international networks, this private sector business has retained telecom service monopolies in many of the region's Anglophone countries that were first established in their colonial era. These are, generally, jointly owned by C&W and national governments, but managed directly by the company – and, though managed as separate businesses, share common – in the region, transnational – objectives and resources determined at a corporate level. Many, also, have long-term exclusivities built into their service licences which have caused major regulatory disputes (see below).

What opportunities do ICTs provide for small island communities?

Here, too, there is mixed experience, dependent on market size, economic development and relative isolation.

The larger population Caribbean countries (Cuba, Dominican Republic, Haiti, Jamaica, Trinidad & Tobago) and Papua New Guinea in the Pacific have market sizes and economic potential similar to those of non-island countries in other developing regions. As elsewhere, ICTs represent new opportunities for them

to exploit their existing economic position and, perhaps to grasp advantages – such as lower labour costs and, where relevant, the prevalence of English – in the establishment of call centres and other service businesses that can operate remotely from their customers. (Crucial to these opportunities, of course, is the relative cost of international connectivity.)

Similar opportunities arise for small island states such as Bermuda and the Cayman Islands which have established niche positions in financial services or related sectors. Appropriately priced ICT services can obviously enhance the potential of such offshore service providers.

Most intriguing from a development policy perspective, however, is the potential impact of ICTs in low-income monocultural or near-monocultural island states, such as the banana-dependent economies of the Caribbean or the smaller and remoter Pacific island nations. For them, ICTs – accompanied by necessary training and human resource development – may offer new opportunities to market existing products and the chance to diversify and increase employment through ICT-dependent sectors. Some Pacific nations (Tuvalu and Niue) have even exploited the Internet own structure by marketing their domain names (.tv and .nu).

Pacific island governments and regional organisations have recently thoroughly reviewed the challenges and opportunities that ICTs now pose to them, and identified four strategic priorities: human resource capacity, infrastructure development, policy and regulation, and inter-island and inter-stakeholder cooperation. It is worth looking at each of these in turn to see how the experience of these island states relates to that of other, larger territories initiating ICT development strategies.

Human resource capacity is a general problem in small island communities, but especially acute in ICTs. High-technology products and services require skilled personnel to manage and develop them, and train users in how best to take advantage of them. Such skills are in short supply, at every level – from local teachers to regulatory personnel – and those that do exist have ready markets in Australia, Canada or the United States as well as in the islands. Island nation governments, telcos and service users alike identify capacity-building in local skills and the institutions to support them as crucial to their ability to take advantage of new ICTs.

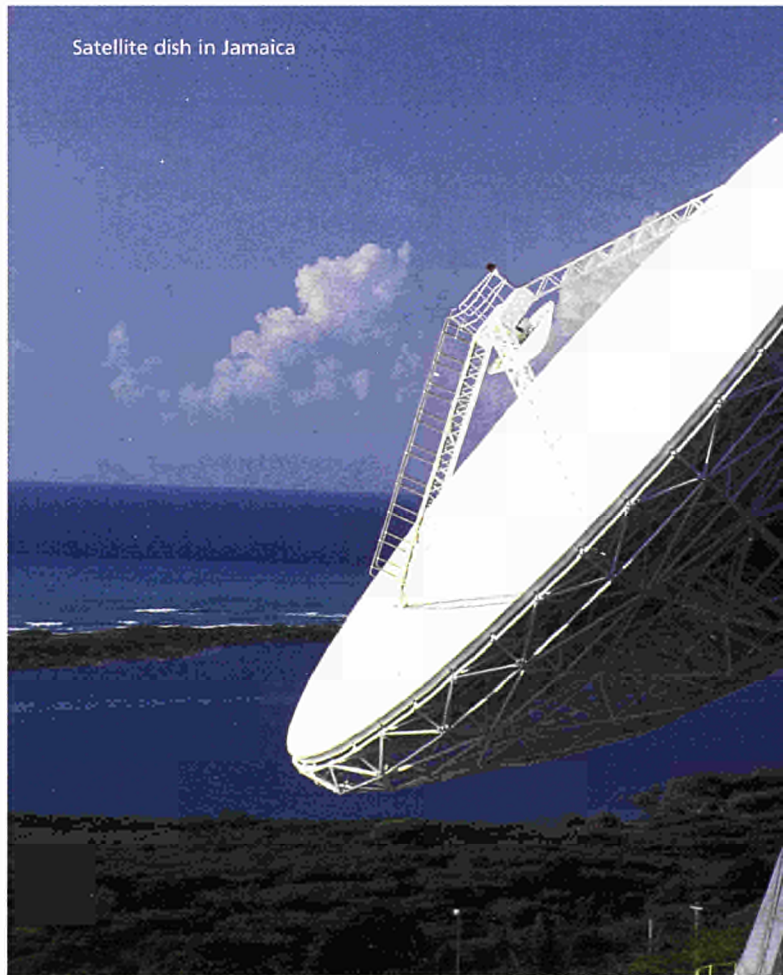
Infrastructure deployment in the Pacific region is very much a geographical problem. According to the Pacific Islands Telecommunications Association (PITA), around 50 per cent of the region's 500 or so populated islands lack connectivity of any kind, and the remoteness of many of these islands, together with limited incomes amongst potential consumers, makes the provision of infrastructure that will be commercially viable very problematic. Many other islands remain connected only by high frequency radio services. Evaluation of different technological options for connectivity, the replacement of radio by satellite services, and the establishment of funding mechanisms for securing connectivity are all key factors in regional access development.

Thirdly, as elsewhere around the globe, policy development and sector regulation are crucial to the capacity of the region to exploit ICTs for development objectives. Appropriate policy decisions and effective regulatory agencies have proved the most important factors in creating an enabling framework for the development of ICT access and of applications in both public services and e-business. Many of the issues involved – licensing, interconnection, competition policy, pricing and especially costing – are complex, and the region could benefit both from co-ordinated

sharing of local experience and from the injection of experience from outside – as well as from the establishment of effective regional benchmarking that could drive performance improvement by policymakers, operators and service providers alike.

As this implies, regional cooperation is considered vital to the success of ICTs in the Pacific. Just as important, however, is partnership between stakeholders – governments, private sector businesses, civil society organisations – in identifying the priorities and targets within individual countries and the region as a whole. If Pacific islands are to take advantage of the opportunities that ICTs offer for economic development and diversification, for the advancement of health and education, and for extending integration of the region in the wider world economy, they most crucially need the engagement in that process of the whole decision-making community.

The predominance of Cable & Wireless in the Anglophone Caribbean also has implications for regional cooperation. For many Caribbean governments, the key policy issue is the transition from monopoly telecommunications services provided through Cable & Wireless subsidiaries to a regulated, competitive market in line with sectoral restructuring elsewhere (and with WTO requirements). Negotiations between governments and C&W over, for example, the end of licence exclusivities, have often proved fraught, and some governments in the Organisation



Satellite dish in Jamaica

of East Caribbean States (OECs) have even chosen to combine their efforts in a multi-country regulatory body, ECTEL. Nevertheless, it is difficult for small governments, even collectively, to match the legal, accounting and regulatory expertise available to an experienced international operator.

The importance of the government/C&W relationship in so many Caribbean countries and territories inevitably raises problems for regional integration between those countries and those unconnected with C&W, including all of the non-Anglophone countries. Nevertheless, substantial efforts are made to secure regional cooperation, notably on issues such as the transition in accounting and settlement rates for international telecommunications. Several regional bodies are involved, including the regional Caribbean Community (Caricom), the intergovernmental Caribbean Telecommunication Union (CTU) and the telecommunications operators' association, CANTO.

A further issue arises in the context of applying ICTs to social and economic development. Small island communities have much to learn from each others' experience in promoting communications access, providing community internet and ICT facilities, applying ICTs to health, education and other public services, and exploiting ICTs for economic development. Regional institutions could do much to spread such expertise, and to establish wider links with peer communities in other developing countries.

At the same time, island governments may find themselves competing with one another to provide services such as call centres to extra-Caribbean customers, especially in the United States, and this may deter some regional cooperation.

Developing partnerships

What issues are there here for international partners of these smaller states, whether the European Commission or the author's agency, the CTO (Commonwealth Telecommunications Organisation)?

The CTO has focused its efforts, as a specialist ICT agency, on developing partnerships with regional bodies – in Africa as well as the Caribbean and the Pacific. Regional partnerships in Africa – particularly with regulatory associations such as TRASA in the SADC region – offer the opportunity to build developmental relationships both across the North-South divide and within developing country regions, including opportunities to share expertise, training and other resources. A regional focus of this kind also chimes well with the European Community's development objectives and experience in regional integration.

Much of the CTO's work is based on the sharing of experience and expertise, both North-South and South-South, particularly the sharing of experience and expertise within peer groups such as regulatory bodies and telecommunications service providers. Its Programme for Development and Training, for example, supports some 25 bilateral projects in each of the Caribbean and Pacific regions each year, along with regional conferences, seminars and workshops on both communications business and regulatory issues. Its Building Digital Opportunities programme, funded by the UK Department for International Development, and including partnerships with (amongst others) the International Telecommunication Union, focuses on policy and regulatory issues and works closely with regional bodies such as PITA and its Caribbean equivalents. Regional cooperation, and partnership between different national/regional stakeholders, have proved crucial to the effectiveness of this work.

The key issue in applications development, meanwhile, is very often connected with the role of ICTs within the wider communications sector. Where ICTs are deployed, they form part of a network of information and communications facilities with transport, radio and other services. Communities with access to ICTs – and the necessary skills to use them – are best placed to identify the most effective applications for them of these new resources: through involvement in applications development and through simple market mechanisms. Engagement with end users is particularly important in small societies with limited resources such as smaller island states.

The Caribbean and Pacific ACP countries share many of the characteristics of other developing countries where ICT development is concerned, but they have particularities, based on their small size and limited resources, which affect the development strategies most responsive to them. The European Commission and other development partners need to respond directly to these particularities, and to engage both flexibly and on the small scale necessary to address them. ■

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Guy Mansfield/Panos Pictures

Far from being a luxury, information and communication technologies (ICTs) are central to poverty reduction, which is key to the empowerment of women.

The Courier reports on the results of a study that sums up the dilemmas African women face in today's information age.

Colleen Lowe Morna

great opportunity or great divide?

The Executive Secretary of the Economic Commission for Africa (ECA), K.Y. Amoako, tells a story about a Dutch journalist traveling in rural Kenya with her laptop and showing women farmers how to log on to the Internet to get the latest coffee prices. They were fascinated but also angered to learn that they earned a mere fraction of what their coffee fetched at the auctions in London.

"Imagine if they logged onto a Starbucks website and found out how much an espresso costs in Manhattan," he says.

The information would be a powerful tool for lobbying for a more just global order. However, out of context, it could simply breed an even greater sense of powerlessness.

"That is why ICTs cannot exist in a vacuum. They must be part of a wider campaign for a more just world order," he adds.

Amoako's comments, in a foreword to *Net Gains, African Women take Stock of Information and Communication Technologies*, sum up the dilemma that African women face in the information and communication era. ICTs could either be a great opportunity or they could become a greater divide between rich and poor, men and women.

ICTs central to poverty reduction

The ECA, which houses the secretariat for the African Information Society Initiative, and is a leading think tank on development issues, maintains that ICTs are key to the empowerment of women for the following reasons:

- ICTs provide the most cost-effective way of serving remote, rural areas without the huge infrastructure costs of traditional landlines.
- The capacity to acquire and communicate knowledge is the foundation of development.
- The applications of ICTs to improving social services are enormous. Basic education could be vastly improved, for example through teacher training and reaching un-served populations. The World Health Organization (WHO) claims "40 per cent of health is exchanging information". ICTs could play a critical role in the control of epidemics and contagious diseases.
- E-business opens many possibilities for economic advancement, particularly for small and micro enterprises.
- ICTs could offer the opportunity for marginalised groups to participate in national and global governance.

The bottom line is that there is no longer a choice. While there are risks to globalisation and information technology, the greatest risk is to pretend that they do not exist.

Spanning 42 women's organisations in east, west and southern

Africa, *Net Gains* is a study commissioned by the African Women's Chapter of the Association of Progressive Communicators (APC) and Femnet, and carried out by South African-based Gender Links. It notes that the many examples of how ICTs are being applied by African women's groups are an indication of the possibilities offered by the new technologies for achieving gender equality and poverty reduction.

Supporting women's rights

Examples include the release following an international outcry of 39 Zambian women arrested when they staged a peaceful protest against the rape and strangling to death of four young girls in 2000; cases taken up by Women Living Under Muslim Law (*Femmes Sous Lois Musulmanes*).

A campaign was launched in support of Chadian filmmaker Fatma Yakoub following the backlash against her film on Female Genital Mutilation.

Communicating about health

HealthNet, a satellite based network for health workers, has been a godsend to many NGOs and practitioners in the health sector. It provides information and diagnoses and responds to urgent pleas for drugs, information and resources.

During the research, several women spoke of the potential application of ICTs in public education and information on HIV AIDS.

Campaigning for justice

In Kenya, a group of Masai, supported by the NGO Eco, succeeded in getting a court order against the granting of their traditional land by the government to Dutch horticulturalists. They used the Convention on Desertification, translated and explained to them by Eco, as one of their lobbying tools.

Eco has also worked with a group of Kenyan women in repackaging information for a community radio station. These experiences have been transmitted to international fora where Eco is a campaigner for environmental justice, including the Jubilee 2000 campaign for debt cancellation.

Enabling economic empowerment

The research points to several examples of ICTs application for women's economic empowerment, including electronic trade and ICTs-related business. The Kaya Beach Project in Senegal is a research-action-training project established in Dakar for a women's organisation dealing with fish products.

Because the organisation is spread over six different localities, the women have found that using ICTs has vastly improved their operations. They exchange information on supply and demand, market prices and different methods of work. This has proved to be a powerful tool in competing in the local market and holds promise for launching the products globally.

New and innovative ways are being used to overcome the barrier of access to ICTs, which is still a problem for women, partic-



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The many examples of how ICTs are being applied by African women's groups are an indication of the possibilities offered by the new technologies for achieving gender equality and poverty reduction.

ularly in remote areas. These range from the establishment of telecentres to inter-phasing Internet with radio. Telecentres serve as a means to provide access to advanced technology and when combined with training efforts, may have positive implications for communities.

In Uganda, the study cites the case of the Nabweru telecentre where women farmers regularly access information on market prices. A link has been established with the Uganda National Council of Science and Technology, which enables small-scale farmers to receive online advice.

Governance

In Uganda, the Forum for Women in Democracy acts as an information broker by accessing critical and relevant information on the Internet for women parliamentarians. Women's Net in South Africa played an active role in disseminating information on increasing women's participation in the 1999 elections and in providing a platform for women to air their concerns to politicians.

There are many potential ICTS applications in democratisation and good governance, including decentralising and making services more accessible to women. Avenues can also be provided for them to interact with politicians, for example to make submissions to parliament or ask questions of their representatives.

Debate must focus on universal access

The hard-core economic applications of ICTs are still in their infancy. African women have a long way to go in using the Internet to make market decisions and position themselves in the global economy.

A critical limitation is that except for the few countries in higher density usage areas such as South Africa, Uganda and Senegal, communication using ICTs is restricted and expensive.

Net Gains emphasises that gender activists need to go beyond isolated initiatives and start participating in critical debates on universal access. As the ECA's Mercy Wambui explains: "ICTs are a means, not an end. But you can't have either unless the policy environment is conducive. We need a critical mass of women at the policy level. We need to stop piggybacking this function and make it a matter of roll call." ■

For more information:

Net Gains, African Women Take Stock of Information and Communication Technologies, compiled by Colleen Lowe Morna and Zohra Khan for the Association for Progressive Communications.

African Women and Femnet is available online at www.womensnet.org.za.

The poor's fragmented network:

The fragmentation of communication infrastructures in Africa – for example the railways – has left the continent with a largely incomplete network of interconnections. This makes it virtually impossible to achieve the objective of space integration. Fragmented networks were implemented as means to control trade and ensure the export of raw materials leading to today's extraverted economy. This intangible communication infrastructure needs to be properly interlinked, especially in rural areas, but has never really received adequate funding.

Yves Ekoué Amaïzo*

The divide in infrastructure between north and south and between the EU and the ACP countries is equalled only by the digital divide. Some official development agents have not always shown foresight or looked favourably on real freedom of information, knowledge and learning. It is mainly under these inexplicit constraints resulting in virtual fragmented networks that new information and communication technologies (NICTs) have gradually emerged in the "southern" countries.

In the poorly connected countries (PCC), deficiencies in infrastructure also have an effect on the production of information as well as the management of the content. But it is in the interest of influential groups to organise the information publicly available on the web. The free availability of information and knowledge led to the organisation of information that should be available to all in a readily digestible, easily assimilable form. Access to value-added information, which requires substantial investment or allows delays to the information catch-up process, follows the laws of supply and demand. It is freely exchanged for the market price.

Poor connections and poverty go hand in hand

This also applies to the NICTs and the content conveyed. But because they are unable to access or use the available information to meet their needs, most people in the world are actually excluded. In general these people are the most vulnerable in terms of income and education. Their exchange of information is primarily an oral-based communication system. So if we are really to help the poor, the cost of voice transmission services must be considerably reduced. The poor – whether individuals, companies, countries, or even regions – are ultimately doomed to have access to and to manage only poor value added information. The information available on the internet, retrieved with increasingly powerful search engines, can open the way for a kind of "information pollution". It can lead to confusion and reduce awareness of the real opportunities offered by the internet.

At the world telecommunications development conference in Istanbul in March, the International Telecommunication Union proposed to "connect up every village in the world by 2005". This proposition cannot succeed if making wireless technologies and voice communication available and affordable is still considered as a marginal issue.

Setting up a decentralised cohesion fund

At the end of 2000, 82 per cent of the world's 350 million internet users belonged to high-income countries, which represent 15 per cent of the world's population. In regional terms, Africa accounted for just 1.2 per cent, the Pacific 2.2 per cent, Asia 28.6 per cent, Europe 32.8 per cent and the Americas 35.2 per cent of internet surfers¹. As regards worldwide telephone connection, 58 per cent of people living in high-income countries had a landline and 69 per cent a mobile telephone. Disposable income is at the root of the digital divide.

Despite the many potential opportunities, the facts show that the distribution of NICTs highlights the on-going marginalisation process. A number of factors act as a barrier not only to the circulation, but above all to the local production and assimilation of information shared at world level. These include a low general level of education, poor levels of savings and income, and inadequate infrastructures. Somewhat undemocratically, only an elite minority has access to the infrastructure in low-income countries, particularly in the ACP countries.

The challenge of universal access for communities

The internet is the product of two technological innovations developed in the 1980s. It needs widespread access to microcomputers and the intensive use of digital technology. This has given rise to a "technological leapfrog". The digital revolution basically relies on the use of electricity as a medium for the transmission of sound, images, text and IT solutions to anywhere in the world. It uses high band-rate distribution infrastructures – the notorious "information superhighways" – made up of local and global networks with or without the use of cable. Computers coupled with telecommunications cannot operate without electricity, particularly low currents (conversion to signals allowing the rapid circulation of information). High currents are needed for the generation of light, heat and power.

Here again the divide is wide. In 1998, electricity production in Sub-Saharan Africa amounted to 270.4 billion kW against the EU's 1,866 billion kW. NICTs are internationally defined as "all the economic sectors of activity that contribute to the display, processing, storage and transmission of information by electronic means"². So it is significant that in poor countries little investment is channelled into the manufacture of equipment and the data processing services (electronic data exchange). Moreover, according to the United Nations³, most of the products for "the display, processing, storage and transmission of information by electronic means"⁴ are not produced and marketed in poor countries.

These countries do not have sufficiently reliable electronic networks either. The absence of a physical network means that they have had to adopt a policy and strategy based on the availability of "interactive terminals" and on information content for collective use, at affordable prices. The conversion of public "telecentres" into "infocentres", and even into community centres for the circulation and generation of information, appears to be the way forward. It can only support the development of a "proximity economy". There is still a need to ensure a regular electricity supply. At the moment, information content and its production cannot really take off in rural areas, home to more than 70 per cent of the population in poor countries. We need to make a better assessment of the importance of the opportunities offered

The digital divide between rich and poor: selected statistics

Country	National income/hab. in \$ US 1999	Electricity consumed/inhab. in kWh 1998	Mobile phone/1000 inhab. 1999	Cost of 3 min phone call to USA in \$ US 1999	Personal computers/ 1 000 inhab. 1999	Internet access/ 10 000 inhab. July 2000	Registered Internet users 1999
European Union							
France	24 170	6 287	366	1.00	221.8	167.11	537 000
Sweden	26 750	13 955	583	0.90	451.4	703.91	366 600
Africa							
South Africa	3 170	3 832	120	..	54.7	43.12	182 000
Benin	380	46	1	6.90	1.5	0.04	1 000
Cameroon	600	185	1	3.39	2.7	0.01	2 000
Kenya	360	129	1	11.17	4.2	0.32	3 500
Madagascar	250	..	1	11.16	1.9	0.36	800
Senegal	500	111	9	4.48	15.1	0.51	3 000
Zimbabwe	530	896	15	2.81	13.0	2.61	2 000
Caribbean							
Haiti	460	33	3	7.10	0	0	600
Jamaica	2 430	2 252	56	5.20	43	2.26	6000
Pacific							
Trinidad and Tobago	4 750	3 478	30	3.30	54.2	41.88	3 000

Source: From the World Bank, World Development Indicators, 2001, pp. 14-17, 302-309 and the International Telecommunication Union, *World Telecommunication Development Report 2000*.

by the internet and the shortfalls to be made up. Also there are not enough managers of information content to satisfy social demand. It is absolutely essential that community access becomes more widespread.

Support to interdependence supposes a new structural financial facility

It is only through new forms of solidarity based on social enhancement that the poor countries, particularly the ACP countries, will finally be able to enjoy the widespread availability of the knowledge and learning they need. This qualitative leapfrog heralds a change in terms of inequality at world level, where, soon, nobody will be able to sell, buy or exchange effectively without the internet. The winners are likely to be those who have not delayed in getting connected to the network, meeting their need of proximity.

Decision makers of countries with fragmented networks should be able to achieve their dual target of promoting better awareness of the imperfection of the local market and the integration as well as the complementarity of regional economies. This is the case even though they are based on a voluntarist policy of integration of training and culture on the one hand, and community access to electricity and to NICTs on the other. Development and management of national capacities to the benefit of civil society as a whole will once again be possible thanks to a new emerging decentralised form of cooperation⁵.

In the context of cooperation with third countries, and according to the provisions of the Single European Act, the EU could envisage setting up a decentralised structural fund, at local community level, to strengthen cohesion between electricity, NICTs and information content in the ACP countries. What is at stake is the future of an emerging movement towards reinforcing the people's ownership of the web, promoting the exchange of value-

added information and knowledge. This is a necessary condition for success in alleviating poverty, one of the world's priorities stated in the United Nations Millennium goals. ■

* Economist with UNIDO (which takes no responsibility for this article); one of the authors of a joint book entitled: *L'Afrique est-elle incapable de s'unir? Lever l'intangibilité des frontières et opter pour un passeport commun* [Is Africa incapable of unity? The intangible borders must be lifted, a single passport introduced], published by L'Harmattan, Paris, 2002, 664 p., with a preface by Professor Joseph Ki Zerbo.

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The role of ICTs

in knowledge management for development

Knowledge management is generally understood to mean the sharing of knowledge inside or outside an organisation. Knowledge sharing has been greatly facilitated by modern computer-based technology. At the same time, the equation of knowledge management (KM) and ICTs is a pervasive but mistaken notion. While the market is now generating a variety of out-of-the-box KM tools which facilitate the sharing of knowledge, care should be taken before investing in them to ensure the relevant organisation has the capacity to take advantage of them. This warning has particular relevance to knowledge management for organisations in development.

Stephen Denning

What is "knowledge management"?

There is no agreed definition of "knowledge management", even among practitioners. The term is used loosely to refer to a broad collection of organisational practices and approaches related to generating, capturing, disseminating know-how and other content relevant to the organisation's business.

Some would argue that "knowledge management" is a contradiction in terms, being a hangover from an industrial era when control modes of thinking were dominant. Thus knowledge is not just an explicit tangible "thing", like information, but information combined with experience, context, interpretation and reflection. Knowledge involves the full person, integrating the elements of both thinking and feeling. Hence some object to the use of the term "knowledge management" as revealing a fundamental misunderstanding of the nature of knowledge.

Many organisations see "knowledge sharing" as a better description of what they are about than "knowledge management". Advantages of "knowledge sharing" include its common-sense comprehensibility, along with a certain degree of interactivity implicit in any sharing.

Overall, whatever the term employed to describe it, knowledge management is increasingly seen, not merely as the latest management fashion, but as signaling the development of a more organic and holistic way of understanding and exploiting the role of knowledge in the processes of managing and doing work, and an authentic guide for individuals and organisations in coping with the increasingly complex and shifting environment of the modern economy.

The connection of KM and ICT

The reach of know-how and experience possessed by individuals can be greatly extended once it is captured and explicated so that others can easily find it, understand and use it. The

invention of writing and then the printing press were obviously critical steps.

In modern times, reports of activities, minutes of meetings, memoranda, proceedings of conferences, and document filing systems maintained by organisations are traditional commonly-used devices for recording content in paper format so that it can be transferred to others.

More recently, electronic databases, audio and video recordings, interactive tools and multimedia presentations have become available to extend the techniques for capturing and disseminating content. Although these tools are not yet available everywhere in the developing world, they are spreading rapidly and present a unique opportunity for developing countries to benefit most from the technological revolution now unfolding: low-cost telecommunications systems can help countries to leapfrog ahead through distance education, distance health services, and much better access to markets and private sector partners abroad.

Nevertheless, even with modern tools, the process of knowledge transfer is inherently difficult, since those who have knowledge may not be conscious of what they know or how significant it is, or be able or willing to share it with others. Even when they are so willing, the readiness to accept the wisdom of others is often not obvious. Thus know-how is "sticky" and tends to stay in people's heads.

The availability of new information and communications technology (ICT), particularly the World Wide Web, has been instrumental in catalysing the knowledge management movement. ICT may, if well resourced and implemented, provide a comprehensive knowledge base that is speedily accessed, interactive, and of immediate value to the user. However there are also many examples of systems that are neither quick, easy-to-use, problem free in operation, or easy to maintain. The Web, for example, frequently creates information overload.

The development of tools that support knowledge sharing in an appropriate and user-friendly way, particularly in organisation-wide knowledge sharing programmes, is not a trivial task. Most of the technological tools now available tend to help dissemination of know-how, but offer less assistance for knowledge use. Tools that assist in knowledge creation are even less well developed, although collaborative workspaces offer promising opportunities, by enabling participation, across time and distance, in project design or knowledge-based development, so that those most knowledgeable about development problems – the people living them on a day-to-day basis – can actively contribute to their solution. Some of the more user-friendly technologies are the traditional ones – face-to-face discussions, the telephone, electronic mail, and paper-based tools such as flip charts. There is now an increasing awareness that the much heralded "paperless office" is unlikely to occur any time soon. High-tech has tended to enhance the need for paper, not eliminate it¹.

Criteria for the use of ICT in KM

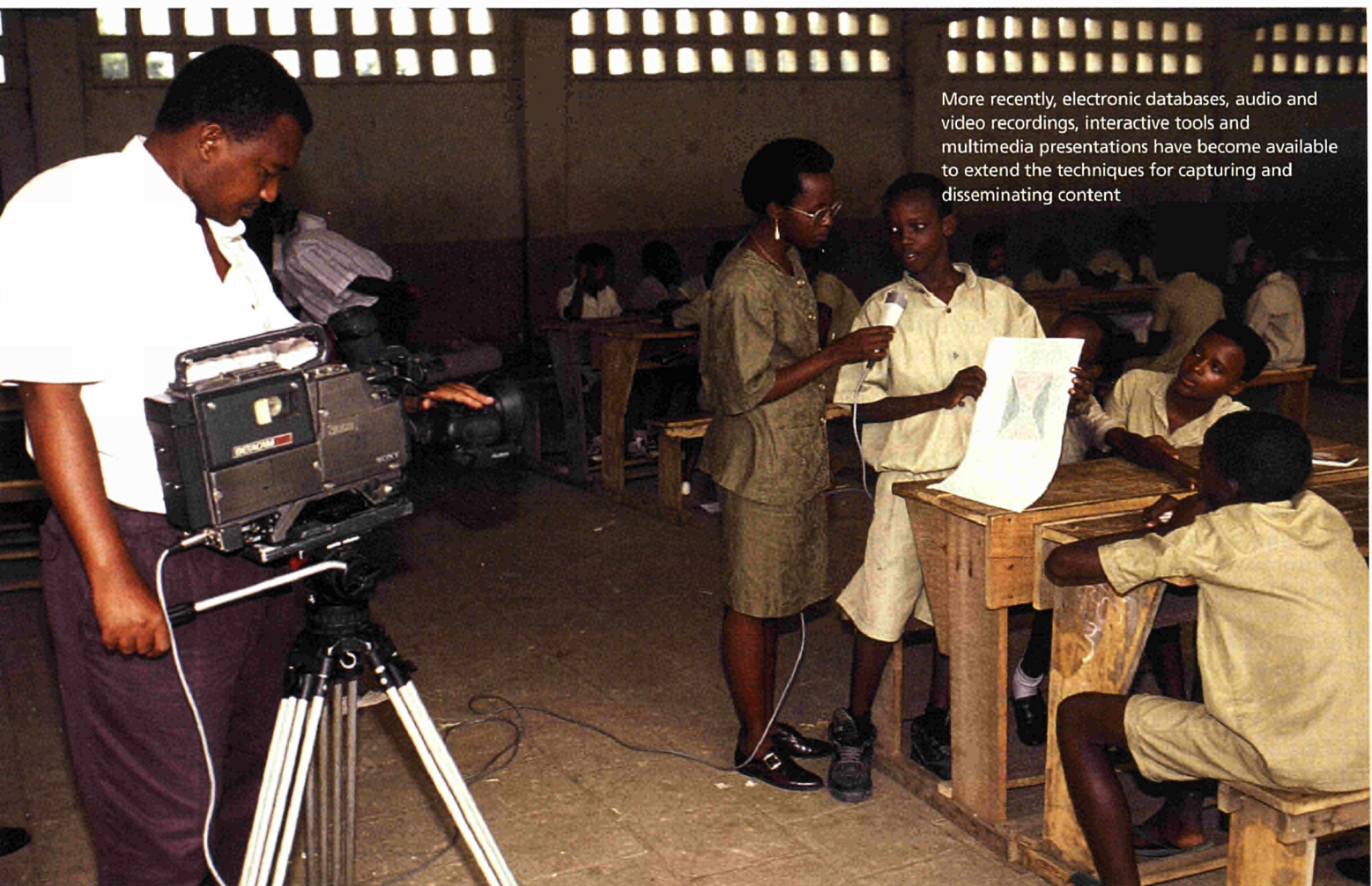
Among the issues that need to be considered in providing information technology for knowledge sharing programmes are:

- *responsiveness* to user needs: continuous efforts must be made to ensure that the
- information technology in use *meets the varied and changing needs of users*.
- *content structure*: in large systems, classification and cataloguing become important so that items can be easily found and quickly retrieved.
- *content quality requirements*: standards for admitting new content into the system need to be established and met to ensure operational relevance and high value.
- *capacity to handle narrative*: much knowledge is embedded in narratives, and unless the technology is adapted to narrative, it will be less than useful in knowledge transfer.²
- *integration with existing systems*: since most knowledge sharing programmes aim at
- *embedding knowledge sharing in the work of staff* as seamlessly as possible, it is key to integrate knowledge-related technology with pre-existing technology choices.

- *scalability*: solutions that seem to work well in small groups (eg HTML web sites) may not be appropriate for extrapolation organisation-wide or on a global basis.
- *hardware-software compatibility* is important to ensure that choices are made that are compatible with the bandwidth and computing capacity available to users.
- *synchronisation* of technology with the capabilities of users is important so as to take full advantage of the potential of the tools, particularly where the technology skills of users differ widely. Knowledge sharing programmes that focus on the simultaneous improvement of the whole system, both technology tools and human practices, are likely to be more successful than programmes that focus on one or the other.

The equation of KM and ICT:

One of the major problems in knowledge management programmes has been the tendency for organisations to confuse knowledge management with some form of ICT, whether it be Lotus Notes, the World Wide Web, or one of the off-the-shelf technology tools that are now proliferating. In the process, the essentially ecological concept of knowledge sharing becomes degraded into a simple information



More recently, electronic databases, audio and video recordings, interactive tools and multimedia presentations have become available to extend the techniques for capturing and disseminating content

system that can be engineered without affecting the way the work is done. It is not that information systems are bad. Rather, it is important to recognise that knowledge management is a different and more efficient way of working that affects people, and requires social arrangements like communities to enable it to happen on any consistent and sustained basis.

The confusion of ICT and KM was evident in some of the pronouncements emanating from the ECOSOC resolutions of July 2000, where the promotion of ICTs – and knowledge – was seen a key for the whole process of development.

This also reflected developments in the private sector, particularly in the United States; large scale investments in ICT have been made in the name of knowledge management. Thousands of millions of dollars have been spent in order to “do KM”. In *The Wealth of Knowledge*, Tom Stewart writes that in the spring of 2000, three out of four senior executives believed the internet would completely transform every aspect of business; more than half said the change would put away the old rules about how companies should operate. This was a high-water-mark of sorts, in that it was a time of considerable “irrational exuberance”, to use the words of Alan Greenspan, the chairman of the US Federal Reserve Board.

Many of the promoters of high tech were wearing clothes borrowed from knowledge management. In effect, analysts and stock-hypers, eager to push valuations to new highs, used some new-economy realities (for example, the fact that a lot of high-value assets aren't shown in the formal accounts of an organisation) to lend credence to the bubble.

One of the underlying problems in many KM programmes was that there was a lack of an explicit connection between the idea of sharing knowledge and the objectives of the organisation in which knowledge was being shared. In the modern economy, there is the generally accepted insight that it is the thinking – knowledge, intellectual capital, understanding – that often tips the balance between success and failure. But what was less widely understood was the link between this insight and the way of turning it into action, and becoming an agenda for improved organisational performance. In effect, the talk often failed to translate strategic insight into organisational value.

The equation of the New Economy and the dot-com bubble

When there is irrational exuberance, there is inevitably a backlash. With the bursting of the Nasdaq bubble, it is often said that the New Economy was just about the internet – and reflected merely a lot of hype to drive Nasdaq stock prices to the giddy, effervescent, irrational heights they attained in 2001.

The New Economy of knowledge was however not about the dot-com bubble, nor was it principally about the Web

Low-cost telecommunications systems can help countries to leapfrog ahead through distance education, distance health services, and much better access to markets and private sector partners abroad

and even high-tech, even though the dot.com bubble clothed itself in New Economy rhetoric. It was, and still is, about growth in productivity. A jump – basically a doubling – in the underlying productivity growth of the US economy; and surprisingly this growth continued even during the recession, an unprecedented phenomenon in a US recession.

The productivity growth was built by the convergence of telecommunications and computing. It was created by the managing of information with the kind of efficiency and agility with which organisations long ago learned to manage materials. Productivity growth was ultimately built on developing, deploying, and investing in knowledge assets.

With the rapidly changing business world, companies are facing a host of questions in a turbulent business world:

- How to encourage more dialogue among employees?
- How to encourage better interaction between and amongst staff and clients?
- How to find out who knows what about something?
- How to find out what to read to find out more about something?
- How to find out where is a particular item of information or knowledge within the organisation?
- How to find out who would benefit from communicating with whom?

Given the messy human and social issues involved, executives were tempted to look for a short-cut, some kind of off-the-shelf product that could solve these issues for them. With the advent of the World Wide Web, improved telecommunications, and the ingenuity of consultants and the fertility of capitalism, it wasn't long before new ICT tools were appearing on the market that offered “knowledge management out of the box”. These included:

- Autonomy, Inc.(www.autonomy.com)
- BackWeb Technologies (www.backWeb.com)
- Communispace (www.communispace.com)
- Engenia Unity Desktop (www.engenia.com)
- Open Text Corporation (www.opentext.com)
- Plumtree Software (www.plumtree.com)
- Tacit Knowledge (www.tacit.com)

For those executives who found the people dimension of knowledge sharing complex or confusing, the prospect of buying “KM out of the box” was a tempting way of solving the problem of doing something about knowledge. By the year 2000, a study by Forrester Research revealed that six out of seven companies spending money on knowledge management were not bothering to try to calculate a return on their spending – clear evidence of a fad.³

The problem was that a lot of knowledge management (on the ICT side) and organisational learning (on the HR side) were disconnected from the way in which the company made money or achieved its organisational objectives. There is an important distinction between an organisation and the business of an organisation. The former looks inward, on reporting relationships, org charts, hierarchies, politics, and "internal customers"; the latter looks out on real customers, markets, competitors, suppliers, and money. Knowledge management has often been too focused on the organisation and not enough on the business. It is crucial to define the organisation's knowledge business⁴ before the knowledge organisation is built.

In considering whether to buy ICT tools for KM, users need to examine the benefits that each tool should generate, assuming successful implementation particularly of the human factors. Particular attention should be given to the proviso namely "*assuming successful implementation particularly of the human factors.*" This might include a hard look at the current level of implementation of IT within the existing organisation.

- Has it adeptly and agilely used fairly simple tools like e-mail and the web with widespread user satisfaction?
- Or does it see major shortfalls between promise and performance?
- If yes, then the organisation is building on strength, and might have the confidence to consider a fairly aggressive use of new tools.
- If on the other hand, the organisation sees major shortfalls even in the implementation of fairly simple IT tools, then it might to consider whether the simultaneous introduc-

tion of a group of major new products is the right game plan for them at this time.

More specifically, one might consider four key issues:

- does the organisation currently have the IT and business dexterity to implement sophisticated IT proposals?
- are the human arrangements in place that would enable simultaneous implementation of these proposals?
- if multiple products are being chosen, are all the products fully compatible with each other?
- are the levels of trust and collaboration that would be needed for implementation, in addition to the IT implementation skills, available?

If those conditions all exist in the organisation, then the tools may well fit its needs.

If not, then the organisation may wish to consider whether effort towards putting those arrangements in place should not precede a large-scale adoption of multiple IT tools.

The relation of the ICT tools for KM in development

Given the shortage of resources for development, and the frequent shortage of ICT skills in development organisations, the mixed experience of the private sector in getting business values out of ICT tools for doing KM should give pause for thought. It is likely that the principal focus in KM for development should be on simple generic technologies, including paper, telephone, fax, email and simple websites, rather than extensive investments in KM-specific ICT. Development organisations should keep steadily in mind that KM is not an ICT tool, but a more organic and holistic way of understanding and exploiting the role of knowledge in the processes of managing and doing work. ■

1. Sellen and Harper (2001)
2. See Denning, (2000)
3. See Stewart (2001)
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E-commerce business models in developing countries:

Some examples from a survey by UNCTAD

The international debate about the so-called new economic paradigm seems to slowly converge on a consensus that the application of information and communication technologies will have a far-reaching impact on the growth of productivity of national economies. However, the rapid pace in the development of ICT technologies also causes alarm about a possible widening digital divide between developing and developed countries. Identifying ways in which the enterprises of developing countries can reap the benefit of the emerging e-economy, can also contribute to narrowing the global digital divide.

In this article, Zhongzhou Li* looks at some of the positive results of UNCTAD's initiatives addressing one aspect of the broader issue – e-commerce and development.

Developing countries could be marginalised in the new economic paradigm because of the serious difficulties they face in access to ICTs, poor domestic telecommunication infrastructure, a huge knowledge gap and a lack of human resources capacity. Only an effective solution to close the huge gap dividing humanity between information "haves" and "have-nots" can clear the way for a more balanced global economic growth.

To address these concerns the international community has launched several programmes of action aimed at bridging the digital divide, not only between developing and developed countries but also between different social groups within developed countries. These action programmes are part of initiatives such as the United Nations' ICT Task Force, the G8's Dot force and the World Summit on Information Society.

The *E-Commerce and Development Report 2001*, published in November 2001, identified a number of areas where developing countries can exploit electronic commerce and maximise its economic benefits. Tourism, for instance, is a sector of foremost importance for developing countries, particularly some of the ACP countries. Developing countries are among the major international tourism destinations, which generates sales of US\$131 billion (1999). E-tourism provides opportunities for developing countries to substantially increase the share in the value chain by offering direct online services to international customers.

The Internet also offers an opportunity for primary commodity producers to establish B2B marketplaces to conduct direct



online transactions between buyers and sellers by using existing local commodity exchanges and commodity exporters associations. This will allow commodity producers to capture a larger share of the transaction value than transactions conducted through dominant commodity exchanges. E-logistic services can enable developing countries to substantially reduce transaction costs, particularly in their exports and consequently enhance their international competitiveness. E-finance opens up new horizons for small and medium enterprises (SMEs) in developing countries to obtain trade financing which is not traditionally accessible to them. Out-sourcing of labour-intensive services by enterprises in developed countries to service providers in developing countries can help those countries to diversify their economy and improve the living standard of the people. However, these and other potential opportunities have not yet been fully understood in many developing countries. Often entrepreneurs and policy-makers there view electronic commerce as a luxury for the highly industrialised countries. It is often perceived as a distant objective for the developing countries and given low priority in their national development agenda. Such lack of awareness of the potential benefits for the developing countries may be at the base of strategic errors resulting in missed opportunities and policy choices that will leave countries further and further behind.

In order to expose the myth that electronic commerce is not viable in the least developed countries, UNCTAD conducted a

survey of ten of them, including six ACP countries (Ethiopia, Madagascar, Mozambique, Togo, Uganda and Tanzania). Our survey discovered a wealth of opportunities and potential available for enterprises even in the most disadvantaged countries with least developed ICT infrastructure. A good number of enterprises have been identified as having achieved tangible success in using information and communication technology to achieve their economic goals. The transaction value may be small in global transactions terms, but it carries the important message that the principle of comparative advantage continues to apply in the digital era. Enterprises in the LDCs do have a comparative advantage in certain sectors and sub-sectors. The opportunities identified in the survey range from B2C, B2B electronic commerce to teleservices.

B2C¹ business model is viable, but needs to overcome obstacles

Many of the identified enterprises selling a product or service online used "business to unique consumer" e-commerce models. All focused on on-line selling to a small niche market located in industrialised countries such as the diaspora. Examples include Ethiogift.com (Ethiopia) which caters to expatriate Ethiopians who buy gifts on-line to be delivered to relatives or friends living at home. Of the 16 enterprises chosen as success stories, seven were classified as business-to-consumer examples.

Other examples include enterprises selling traditional textiles, garments, music, food etc. to their respective diaspora. For example, LifeinAfrica.com (Uganda) sells traditional clothes to African-Americans and promotes African culture, and SimplyAfrican.com (owned by Raha.com, United Republic of Tanzania) sells high-quality African art to art lovers in the United States.

Success has come to those enterprises that have been able to develop consumer trust over a period of time, by creating a loyal subscriber base (ie LifeinAfrica.com); offering information about home (ie Radio One (United Republic of Tanzania), Simba Radio (Uganda), The Addis Tribune (Ethiopia)); or by developing an agent network in the target market. Ethiogift has a network of Ethiopian restaurants that assist in sales or facilitate the distribution of marketing literature.

Enterprises selling products to the general overseas markets have encountered greater difficulties. They have to charge high delivery costs and provide for longer delivery times. In order to protect their on-line reputation, these enterprises have to keep large quantities of stock for prompt delivery and to ensure product quality. Because orders are small and scattered, it is difficult to arrange bulk order delivery. Consequently shipping cost is high.

International business-to-consumer e-commerce is an interesting option for medium-sized manufacturing exporters in developing countries. An interesting example is provided by one company studied in our survey, the Genuine Leather Craft (GLC) of Ethiopia, which has succeeded in marketing leather garments directly to the end consumers. Currently, online orders from consumers around the world account for 40 per cent of GLC's total sales.

All identified business-to-consumer models based in developing countries have their websites hosted in the United States, Canada or another developed country, mainly because credit card payment options can be offered. Other reasons include cheaper and better-quality hosting services, regarding for example website performance and listing.

Obstacles identified by enterprises engaged in online business-to-consumer models include the high costs involved in developing a quality website and acquiring online clients, expensive fulfilment costs, problematic online payment issues, exclusivity of distribution channels and the lack of a domestic market.

International B2B e-commerce examples

In contrast to the B2C niche market, B2B e-commerce models represent a far greater market potential for enterprises in the LDCs in terms of transaction values. UNCTAD's survey found that teleservices present enormous opportunities, mainly because of the huge difference in wages between developing countries (ranging from US\$20 per month to US\$500 for highly qualified individuals) and developed countries (from US\$2,000 to US\$10,000 per month for similar activities).

A "teleservice" can be defined as a service which can be executed from a remote location using web enabling technologies. Examples of online and offline teleservices are translation, data scrubbing, copy editing, medical transcriptions, data input, creation of customized marketing databases, creation of simple websites, scanning (i.e. digitalization of print documents), call

centres, follow-up marketing calls and remote surveillance.

Online teleservices can be divided into interactive and non-interactive. Interactive on-line services involve real-time involvement by the contracting party. Examples of these types of services include call centres handling airline reservations, telemarketing and after-sales support. Some of these services are being outsourced by large corporations, often to call centres outside the country. Low-cost internet telephony now allows call centres to be established in a country other than that of the target audience, provided that the call centre, for example situated in a developing country, has reliable low-cost high-bandwidth connections. A report by the Economic Commission for Africa² has identified a call centre project in Togo (Café Informatique), which provides call centre services over the Internet for clients based in the United States. The attraction of locations such as Togo is the significant human resource cost advantages. Café Informatique has secured a pilot contract with a major United States telephone company to update telephone directories. The centre employs over 50 operators. However, and although it can provide an attractive opportunity, online teleservicing still has to overcome several barriers. There are relatively high start-up costs for equipment and high training costs, and companies must have the capacity in place before trying to win a contract. Online contracts often involve 24-hour operations and the skills required are difficult to develop as they involve teaching people not only language but also new cultures and behaviours.

Online non-interactive services include internet radio stations, or internet sports sites, which provide downloadable but recent news on sports events. Radio Simba could be classified in this category, except that at this stage it is not charging recipients for the service.

Far more attractive options for enterprises are the various forms of off-line teleservicing. These include transcription services, data input, software development, remote access server maintenance, web development, creation of databases, digitization of old documents (ie architectural drawings), translations and editing.

Off-line teleservicing generally involves lower start-up costs. Since operations do not have to be "live", management has the opportunity to intercept poor-quality work prior to delivery. For example, Doticom Services, a four-person company in Uganda, was able to win a contract to input data from scanned invoices into an accounting package for an auditing firm in Canada without a large initial investment.

Off-line teleservices offer talented individuals living in developing countries an opportunity to do work for companies based in developed countries. For example, an enterprise in the developed world requires desk-top publishing services for a document. The document is sent by e-mail to the contracted person, who could be situated in any developing country provided that he or she has internet connectivity. The person

works on the document and, once finished, sends it back to the enterprise by e-mail. These services are referred to as off-line, as the work is done off-line, and only when it has been completed, does the person go on-line to send it to the customer. Companies in developed economies will increasingly secure these types of services in low-labour-cost countries. The report by the Economic Commission for Africa on electronic commerce in Africa, identified a number of examples of off-line services: a Moroccan company with a staff of over 70 that digitizes manuscripts for a European publisher; a Moroccan company that offers internet-based translation services; and a Senegalese company that employs 30 skilled computer-aided design technicians to do architectural detailing for European clients.

An important lesson from our survey of teleservices examples in developing countries is that ICT is a tool that provides for new opportunities for competition. The technology enhances the creative powers of people as well as the efficiency of economic activity. It does not substitute for human work; on the contrary, it makes people interact with each other on a higher technological and knowledge basis. All stakeholders in this digital revolution – ie governments, enterprises, societies and individuals – have to adapt to the revolutionary changes brought about by the information and communication technology. Those countries which have adopted appropriate strategies to create an enabling environment for the development of electronic commerce are better placed to reap the benefit of applying information and communication technology, increasing productivity gains, enhancing international competitiveness by reducing transaction costs, capturing the opportunities of diversification, integrating

with the global economy and in the end improving the living conditions of the people.

Such an enabling environment should include basic ICT infrastructure, free access to information and internet services, a legal framework that accommodates electronic commerce, the protection of security, privacy and intellectual property rights, an efficient electronic payments system, an adequate trade logistics system and e-government services providing online access to all kinds of trade transaction related government agencies. ■

UNCTAD's survey of ten Least Developed Countries discovered "a wealth of opportunities and potential available for enterprises even in the most disadvantaged countries with least developed ICT infrastructure"

* Deputy Director of UNCTAD's division for Services Infrastructures for Development

1. Business-to-consumer e-commerce (B2C) is the online selling of virtual or physical products to consumers or end users, and is similar to retailing in traditional business models.

2. Post-African Development Forum Summit: Electronic commerce in Africa, report by the ECA (<http://www.uneca.org/adf99/adf99ecommerce.htm>)

Media in the South:

ICT's poor relations?

The history of media is constantly marked by the technological evolutions to which information tools constantly have to adapt. Today, new information and communications technologies (ICTs) are providing a boost, speeding up evolution in global media circles. But in Africa, the new ICTs have split the media world in two: faced with rapid development, the traditional African media have largely chosen to adapt. The financial investment essential for the development of these technologies, and the shortfall in infrastructure leave many of them on the sidelines. Despite a number of interesting but relatively isolated initiatives, the South's press is still in its infancy in terms of exploiting the new ICTs.

Isabelle Saussez

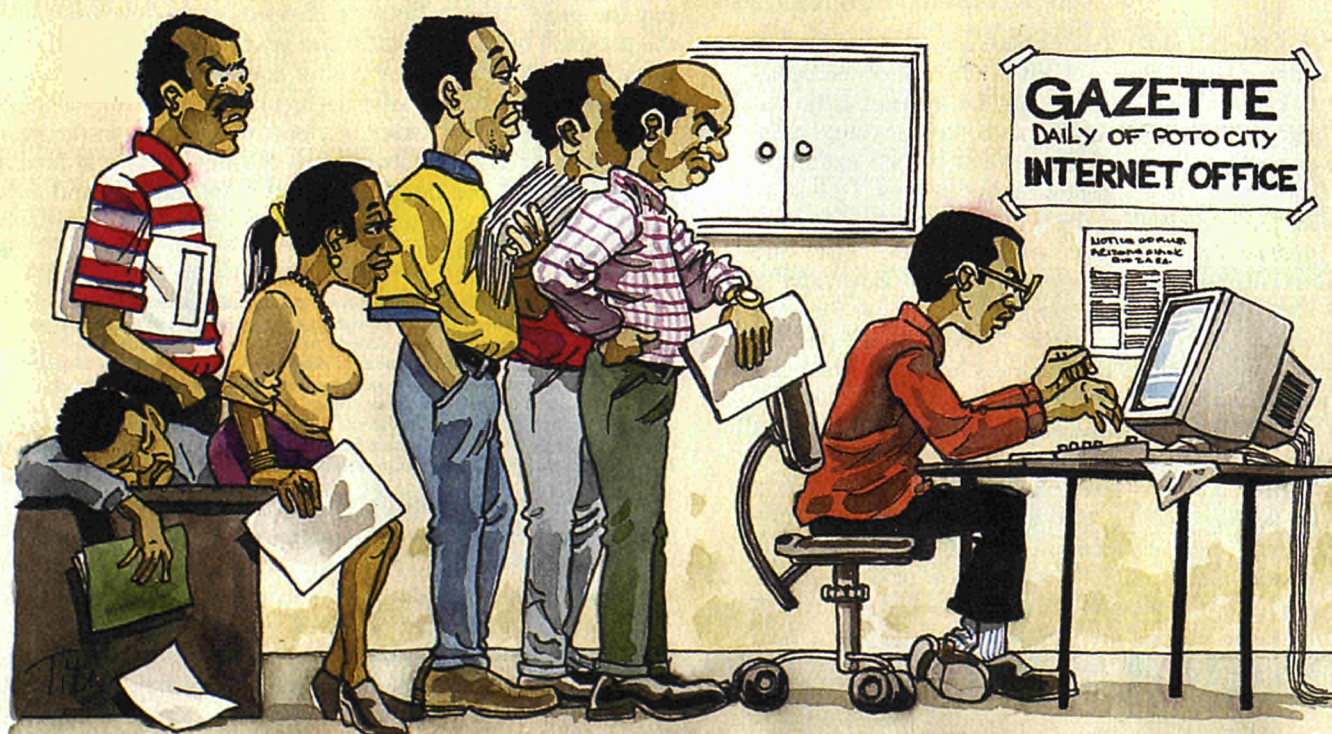
New information and communications technologies have considerably changed the media, both in terms of content (access to a global information network, speed of data transmission, etc) and in terms of broadcasting media (digital channels, satellite broadcasting, radio, TV, on-line journals, data archiving, etc). In the North, the media have been climbing on the bandwagon, but in the South, and in Africa in particular, the gap between technology's haves and have-nots has been a constraint on rapid adaptation.

Less than four years ago the offices of the Senegalese daily, *Le Soleil*, introduced computers. Computerisation substantially improved journalists' work, explains Amadou Fall, editorial director: "The networking of computers between different departments saved us a considerable amount of time. Internet connection also facilitated journalists' work, enabling them to draw on more varied sources and complementary information as well as reporting in the field".

New ICTs and freedom of expression

The combination of the new ICTs and the opening-up of African markets to local private media has a fundamental role to play in the democratisation of a country. Such was the case of Senegal during the February 2000 presidential elections, which were won by the opposition for the first time in 40 years. Radio stations were crucial in ensuring the trans-

Despite a number of interesting but relatively isolated initiatives, the South's press is still in its infancy in terms of exploiting the new ICTs.



Titi

parency of the vote and in announcing results. "Armed with mobile phones, many reporters throughout Senegal directly reported the smallest irregularities or acts of violence. As soon as the votes had been counted at the polling stations, they also immediately announced the results, thereby preventing any subsequent manipulation".¹

In countries where freedom of expression is not completely established, where the authorities still resort to censorship and even repression² of the free media, the latter's viability is obviously very precarious. According to Eyoum Nangué, a Cameroonian journalist, "economic woes also prevent private radio from gaining a foothold in central Africa. Public networks get the lion's share of advertising, the only source of income for independent radio, which cannot count on user fees. To stay out of trouble, businesses avoid advertising on stations with a reputation of being hostile to the government".³

Within the same context, new technologies can help to fill a gap. The creation of an Internet website gives the media an international audience and can attract foreign cyber-advertising. The revenue generated thus benefits the media as a whole.

On-line media: Africa's international showcase

The attraction of advertising income is a driving force behind the networking of traditional media, as Amadou Fall explains, "our daily newspaper going on-line gives us an international audience and enables us to attract new Senegalese, but especially, international advertisers. Increasingly, international companies want to advertise on our pages. We envisage setting up new advertising banners which will be made available for Senegalese and African advertising". National populations are not the target audience of the on-line media. The prohibitive cost of equipment and connections limit Internet access for individuals, particularly outside the main towns and cities. On the other hand, on-line information enables expatriates and an international audience to gain access to African news and current affairs.

A number of African radio stations have also gone on-line: 38 African stations in 2000. However, given the lack of infrastructure, only 14 of them broadcast live. On the Internet, radio stations no longer have a monopoly on audio broadcasting: more and more journal editors are making use of on-line radio, and the two media forms are coexisting on the Internet. One striking example of this comes from the Senegalese media – they are making increasingly intensive use of ICTs. The Sud Communication Group has put its journal *Sud Quotidien* and its radio *Sud FM* on-line. With *Le Soleil*, *Wal Fadji* also has an electronic edition of his daily paper. There is also *Pana*, the African press agency with its headquarters in Dakar, which has for some years now been publishing its despatches on-line.

Yet this type of initiative remains the privilege of public and commercial radio stations. Community stations are still a long way from being able to make use of such technological progress, as Jacques Soncin, director of the URCAF (Radio union of French-speaking countries), explains: "Currently, practically all the radio stations which are part of our network have analog equipment. Very few have been able to go over to digital. Some radio stations are now beginning to use a Mini Disc reporting recorder we have manufactured, which performs well, is professional and not very expensive. But there's

very little available. Community radio stations are not yet ready to make the change".

Beyond the Internet

In the poorest and most remote regions, the rural population is unable to use any form of media. In this situation, the new ICTs can now provide a way out of isolation, particularly thanks to satellite links. Bankilaré, a small 2000-strong community in Niger, not far from the border with Mali and Burkina Faso, has no road or sanitary infrastructure at all. Three years ago, an innovative rural development project was set up whereby the village was equipped with a transmitting station and approximately 100 solar-powered receivers. These installations enable the villagers to receive programmes broadcast by the Afristar geostationary satellite (RFI or radio stations in the capital), to implement programmes (particularly AIDS awareness-raising and prevention), and also to provide remote education (literacy, agriculture, etc).

To guarantee the durability of the equipment and infrastructure, donors have decided to hand over the management of the radio station entirely to the local population. According to the economist Djilali Benamrane, a researcher at the United Nations Development Programme (UNDP), "effective taking-over of the operation of the rural radio station by the population is essential for success. At Bankilaré, the radio station will in its operational phase be under the sole authority of the local population through their association, which represents the various sociocultural and ethnic components of that locality". The success of the Bankilaré project also has its imitators in Niger. Scores of villages in Niger are now equipped with solar-powered transmitters and receivers.

Despite their undeniable advantages, the new ICTs are still inaccessible to most of the African media. The penetration of the new ICTs into the continent is far from having achieved the level it has in the North, and small publications are the first to pay the price. Their adaptation depends almost exclusively on the goodwill of donors, NGOs and governments. Currently, the progressive decrease in the cost of equipment is being flanked by greater government investment in adapting national infrastructures to the new reality of global technology. In the years to come, it is highly probable that the new ICTs will lead to media pluralism and freer circulation of information and ideas and therefore serve as a catalyst for the continent's economic and social development. ■

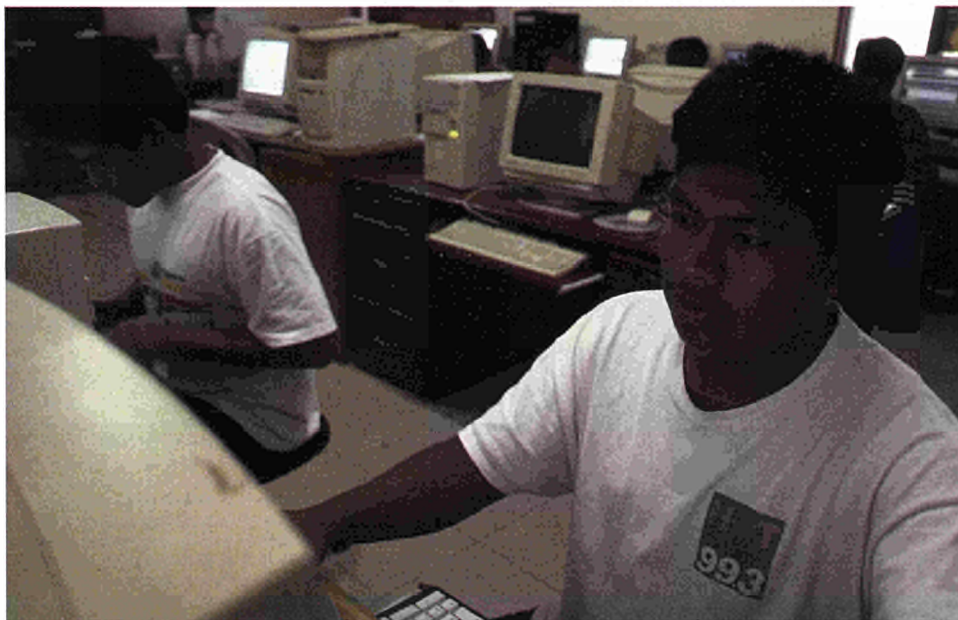
1. Panos Institute, *West Africa, media-actions* No. 24-25, January-March 2001
 2. *Reporters sans frontières* (Reporters without Borders) compiled "Predators of freedom" – heads of state, ministers, state advisors or military chiefs of staff responsible for press freedom violations, including Edouardo dos Santos (Angola), François Campaoré (Burkina Faso), Issaias Afewerki (Eritrea), Meles Zenawi (Ethiopia), Teodoro Obiang Nguema (Equatorial Guinea), Mouammar Kadhafi (Libya), Paul Kagamé (Rwanda), Mswati III (Swaziland), Gnassingbé Eyadéma (Togo), Zine el-Abidine Ben Ali (Tunisia), Hüseyin Kivrikoglu (Turkey) and Robert Mugabe (Zimbabwe).
 3. Article from *The UNESCO Courier*, April 2001.

Knowledge is power

Supporting indigenous people to reclaim their land

Almost 12 years have passed since a group of indigenous people from the east of Bolivia, a country in the heart of South America, began a walk of more than 1,000 kilometres. They journeyed to La Paz, the seat of the central government, to peacefully claim the land that is rightfully theirs. Today, they continue their journey, armed with powerful information and communications technologies.

Loeki Schaeffers and Jose Miguel



Since that journey, the government has recognised 16 million hectares of Original Community Lands (OCLs), but has transferred ownership of just 2.3 million. Despite the promises made by various presidents and the enactment of the Law of the Lands in 1996 to facilitate the transfer, the legal process is moving forward very slowly. The ownership process for each of the 52 existing territorial claims takes an average of at least one year, a subject of frustration and discontent within the 34 indigenous communities.

A struggle for economic and social survival

Bolivia's indigenous groups are struggling to reclaim their land, which they consider critical for their survival and social development. Since the 1990s, they have demanded the transfer of ownership of 29 million hectares. During negotiations between the government and indigenous representatives, it became clear that improved information and communications was needed to enhance the legal process.

To meet this need, the *Confederación de Pueblos Indígenas de Bolivia* (CIDOB) developed a "Conflicts and Negotiations on Indigenous Lands" project. The International Institute for Communication and Development (IICD) and the Humanistic Institute for Development Cooperation (Hivos) support the project, which uses information and communication technologies (ICTs) to inform the indigenous groups and the broader community on the legal process.

Conflicts and Negotiations on Indigenous Lands project

The project attempts to address the imbalance in the legal process by improving access to information in support of the indigenous groups' territorial claims. The aim is to keep the indigenous groups informed about the legal process and to lobby for their rights at national and international level. CIDOB has taken up the challenge of accelerating the process by using both traditional and virtual means of communication.

An information network is being set up between eight regional centres that, together with informing the indigenous communities, ensures national and international publicity for the indigenous communities' claims.

Says project manager Eliana Rioja: "Indigenous organisations, international development institutions, human rights and civil institutions, and the national and international media all have an important role in the implementation of this process. They exert the necessary political and social pressure."

Facilitating communication

The lack of political will to solve conflicts over OCLs, exacerbated by the shortage and lack of maps are just some of the challenges faced by the project team. Eliana Rioja says the project seeks to make the transfer of ownership process more transparent and dynamic through compiling, ordering and publishing online information.

"We believe that the lack of up-to-date information is the most serious obstacle for indigenous communities in making their demands heard," she adds.

Press releases and magazines such as *La Paraba* and CIDOB's official publication *Oyendu* also keep the indigenous regions informed. In September 2001, the Internet was used to spread the news about a land conflict near Santa Cruz, where livestock companies collided with an Indigenous Assembly and kidnapped its leaders. News reports on CIDOB's webpage are one way of scrutinising the legal process.

Marcial Fabricano, CIDOB's Vice-Chairman, says the government has shown very little will with regard to the transfer of land because there is a whole range of actors with their own interests – the agricultural and forestry industries, members of political parties, civic movements, companies and others.

"This is why the project is acting as an information facilitator, exchanging information with the other actors and guiding them so that they actually become aware that our demands are legitimate," he says.



CIDOB has an agreement with the government to constantly monitor and streamline the advancement of the process by gathering and making available up-to-date information.

The virtual network

CIDOB officially launched its website in December 2001 – *Cabildeo Virtual* – virtual lobby. The website provides access to a constantly revised and updated detailed database, offering an overview of land claims, progress in the legal process, geographical dimensions and various OCLs satellite maps.

It also offers information about natural resources, management areas, relevant agreements, socio-economic data and the level of government participation in oil companies on indigenous territories. Historical information on CIDOB is also available.

Today, the development of the virtual network that links the eight regional organisations is showing its first results. Five regional offices have Internet access – Santa Cruz, Guaraní, Weehnayek, La Paz and Beni. The other three regions – Cochabamba, Amazon and Pando – are in the process of being connected.

The project team gathers reliable information in close co-operation with the regional indigenous groups that have been trained for this purpose.

“The website allows indigenous people to interact with the world and gives them a platform for their territorial demands, backed up by a base of reliable data,” explains project team member and engineer Alain Patiño Cruz.

As part of the project, a Capacity Development Centre trains indigenous leaders in computer programmes, e-mail and the Internet. Since June 2001, more than 30 people have obtained qualifications. The project intends to train more than 50 indigenous leaders (chiefs and those responsible for the regional offices) to become the spokespersons for their communities using the virtual network.

In addition, a number of indigenous students have been trained. One of them, Ivana Céspedes Durán, commented by e-mail in one of the training classes: “I am the indigenous leader’s daughter. I was given the opportunity to advance and to continue studying. I am eager to talk and thanks to God I can contribute to the development of my village, which for too long has been forgotten.”

Striking a new balance...

The legal process continues to proceed very slowly, due to lack of political will, conflicts of interests and inadequate information. Says Marcial Fabricano: “There is no opening into the Bolivian system, so how do I enter? I must react, this is the only thing that the national system has taught me, as there is no answer to the claims and the system has no transfer criteria.”

However, what cannot be denied is that there is a new generation of Bolivians who want to participate, who feel co-responsible for the country’s future, who want to discuss and contribute and who want their ideals and wishes taken into account.

“National legal policy hardly exists in this country, therefore we decided we had to change the opening,” he adds.

For the indigenous community in Bolivia, this project offers the opening. It is an opportunity to correct the imbalance. ■

CIDOB

The *Confederación de Pueblos Indígenas de Bolivia* (CIDOB) draws together eight regional organisations, representing indigenous communities in the lowlands of Bolivia, including 32 indigenous groups and more than 1,500 communities. For almost 20 years, CIDOB has been the national representative of indigenous people in relations with the government, civic society and the international donor community. The staff of the Conflicts and Negotiations on Indigenous Lands project consists of six professionals at the central office, while 16 representatives in the regional offices assist in data collection.

IICD

The International Institute for Communication and Development (IICD) assists developing countries to realise locally-owned sustainable development by harnessing the potential of information and communication technologies (ICTs). IICD works with its partner organisations in selected countries, helping local stakeholders to assess the potential uses of ICTs in development. It also strengthens the capacities of local partners to formulate, implement and manage development policies and projects that make use of ICTs.

More information

In Spanish: <http://www.cidob-bo.org> <http://www.ticbolivia.net>

In English: <http://www.iicd.org/countries/bolivia>

African voices banished into exile?

Is French literature in Sub-Saharan Africa languishing in a ghetto? The answer appears to be “yes”, particularly as it is so inaccessible to the majority of Africans. Moussa Sawadogo investigates the state of literature and publishing while examining some of the root causes for this “ghettoisation” of important African voices.

The only African authors to receive recognition are those who manage to make it to the main European production networks and are legitimised by the media. For them, France – with its large publishing houses and distribution networks – appears to be the only place that can offer them international recognition.

An unaffordable luxury

In Africa, books are still an unaffordable luxury. A novel published in France costs on average €17, the equivalent of the price of a 100 kg sack of corn, which could feed a family for several days. In a continent plagued by poverty and malnutrition, spending that much money on a book might seem superfluous extravagance.

Why not publish less expensive books? This would appear to be the ideal solution, but Sub-Saharan Africa has no publishing house that could cover the other countries of the continent. The few publishers that exist in Côte d'Ivoire (*Les Nouvelles Editions Ivoiriennes*), in Senegal (*Les Nouvelles Editions Africaines*) and in Mali (*Le Figuier*) are working in limited national markets.

“An author whose work is published in one of these countries has little chance of emerging into the limelight,” explained Moussa Konaté, a writer and head of *Le Figuier*, referring to the dearth of efficient distribution structures and the problems of transport between African countries.

In Africa, the path to publication is littered with obstacles. In Mali, banks refuse to grant Moussa Konaté a loan, saying that he can provide no security. Publishing is not considered a profitable sector. As a result, *Le Figuier* owes its existence to Konaté's savings and the support of NGOs. It receives no State aid – on the contrary, it is hit for 19.6 per cent VAT on every book published in Mali, and 25 per cent if the book is imported.

Guinean writer Tierno Monembo, who fled the dictatorship of Sékou Touré and took up residence in France, is considered to be one of the greatest writers in Black African literature. He commented that African governments do not advocate the circulation of ideas because, “those in power fear culture. In their eyes, a man who can think for himself is subversive”. In the face of such obstacles, African authors often have to turn to European markets. According to Papa Samba Diop, professor of African literature at the University of Paris XII, only 15 per cent of the material produced in Africa makes it to France.

Despite these problems, the French language literary world south of the Sahara remains optimistic. Alternatives have been explored and have yielded success, such as collaboration between publishing houses in the North and the South. In 2001,



In Africa, book festivals allow the works of African authors to be better known

Moussa Sawadogo

Le Figuier in Bamako and *Gallimard* in France came together to publish *Kouty*, a crime thriller by Aïda Diallo. This system of joint publication means that African publishing houses do not have to publish books that have already come out in Europe. It has also made it easier for *Nouvelles Editions Ivoiriennes* to bring out *Gardiens du temple* by Cheik Hamidou Kane, and to sell it for CFAF 5,000 as opposed to its original price of between CFAF 10,000 and 12,000.

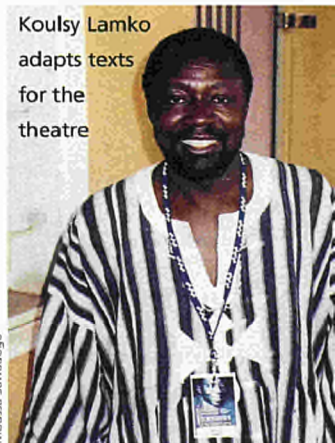
A return to the spoken word

Other authors/playwrights have found that the theatre affords access to literature. This is the case for Koulsy Lamko, who decided to adapt texts for the theatre and return to the spoken word: “Books constitute a mask that has to be worn to arrive at the spoken word... writers must be restored to their original role, that of a multi-faceted artist who uses the widest disciplines.”

Although French literature in Sub-Saharan Africa is still finding its way, it is rich, diverse and full of talent. This was borne out by the debates held between writers from the four corners of the earth at the book festival organised by the association *Etonnants Voyageurs*, which took place in Bamako 21 to 26 February 2002.

Aspiring to greater freedom

There have been profound changes since the era of the



Koulsy Lamko adapts texts for the theatre

Moussa Sawadogo

fathers of negritude – Léopold Sédar Senghor, Aimé Césaire and those who practised during the colonisation of the continent, in Césaire's words, a "systematic apology for societies destroyed by colonialism". Since the 1990s a new generation of writers has emerged all over Africa, as well as in the Caribbean and the Indian Ocean. Papa Samba Diop says that in their eyes, their work is "an account of man, based on the deepest, most universal human individuality".

They aspire to greater freedom. One of the symbolic figures of this new generation is Fatou Diome, born in Senegal and studying for a doctorate in French language and Literature at Strasbourg University. She has published her first book, *La préférence nationale*, telling anyone who will listen that she refuses to let herself be confined to any ghetto.

"I am not speaking in the name of a society. That is not my claim. It is up to others to recognise themselves in my writing. I am not Africa's spokesperson," she stresses.

A mass influx of women

The most striking feature is the great surge in the numbers of women in literature since the 1980s. From Mariama Bâ's *Une si longue lettre* in 1979 to Fatou Diome's first book, some 10 women are at the heart of literature in French Sub-Saharan Africa. Remaining true to their emotions, they take up the pen to write about the habits and customs that have always relegated women to second place in Africa.

Fatou Diome maintains that through their writing and the subjects dealt with, African women show that there is a place for women, where they can speak up to express their freedom and independence.

The rise of women in literature has not happened by chance. For Ken Bugul, one of the first female writers in Sub-Saharan Africa, it is due to their education and to their contact with women from other continents. She is said to have brought a touch of feminine sensitivity and personality to the literature. She advocates that African women should no



"I am not Africa's spokesperson," stresses Fatou Diome

Moussa Sawadogo

longer allow themselves to be confined to clichés, nor should they succumb to blind feminism.

Rather, African women should see themselves as "the universal woman". Since her first book *La Baobab fou* in 1979 (published in English as *The Abandoned Baobab – the autobiography of a Senegalese woman*), Ken Bugul has severely criticised society for its minimal respect of women, shattering the traditional tendency to obscurity and submission.

Fatou Keita is another who was introduced to writing after contact with other women who had immersed themselves in literature. She decided to become a "woman who looks at the world and man" and to say what she sees and thinks. But she is under no illusions: it is no easy task.

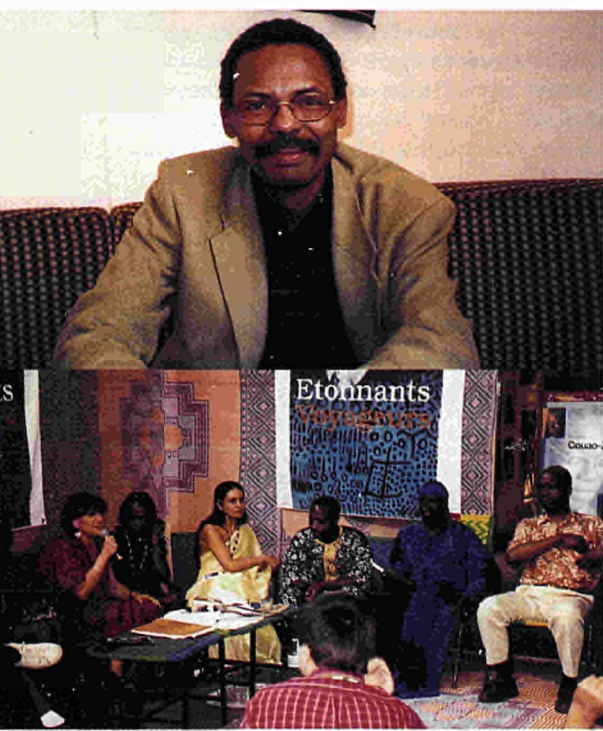
"Socially, educated women upset the apple cart. They are independent in their thinking and they are the source of upset because men do not like to be talked about," she says.

Reconciling cultural debts

This new generation of writers has not sought to supplant the fathers of negritude. Rather, the questions raised and claims made by young writers are part of the dialectic of development and as such represent continuity. Indeed, some social evils are still endemic, even though the way they are dealt with in literature has evolved. Authors, such as Ahmadou Kourouma, who began writing in the 1960s, are still doing so today.

Says Papa Samba Diop: "As diverse as the works of current writers are, there is a common thread running through them all: they are no less passionate than those of previous generations. Somewhat feverishly, all play their part in reconciling their aesthetic ambitions with their original cultural debts."

Sub-Saharan French literature can be described as fertile, to say the least. However, it is still confined within limits, accessible only to an elite and banished into exile. For the majority of Africans, this literature will have to come down from its pedestal before it can become truly popular. ■



Moussa Sawadogo

Moussa Sawadogo

Above, Tierno Monembo, Guinean writer. Below, writers from the four corners of the earth debate at the book festival "Etonnants Voyageurs" in Bamako



St Lucia St Vincent and the Grenadines



A future in yachting?
Beach villa, St Vincents and the Grenadines

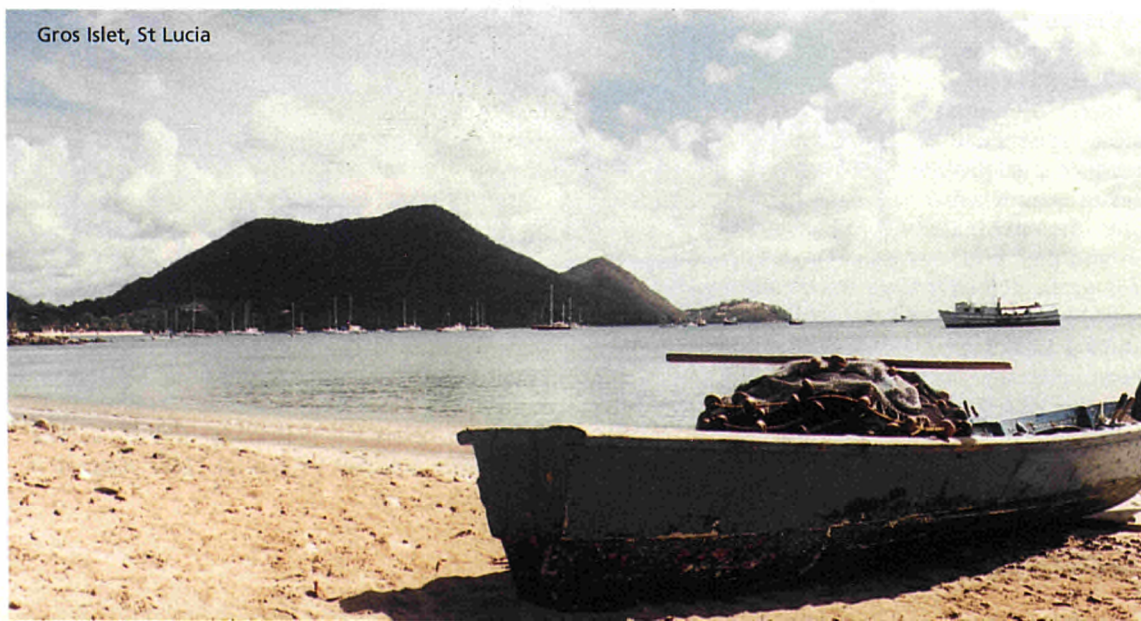
St Lucia and St Vincent and the Grenadines, both Windward island countries in the Eastern Caribbean, are facing similar challenges; restructuring the banana industry – the backbone of the economy for 40 years – diversification into other crops and industries such as offshore business and telecommunications, and withstanding the hammering winds of increased global competition.

Tourism, on which both are increasingly dependent, also took several knocks in 2001. Both nations are now strongly marketing what they have above some of their “sea and sun” competitors; music, culture, sports and natural beauty. In tourism and agriculture, the emphasis is being laid on responding to a market demand for quality “niche” products.

St Vincent and the Grenadines, in particular, has a worrying unemployment figure.

The priority for “education, education, education,” was articulated in both nations. Hopes are high too that a quicker pace of regional integration propelled by the St Lucia based Organisation of Eastern Caribbean States (OECS) with even greater efforts needed to achieve the bigger goal of the Free Trade Area of the Americas, will mean speedier growth and more jobs.

Report and photos: Debra Percival



Gros Islet, St Lucia

Recovering from a double blow

The Eastern Caribbean island of St Lucia has a lot of advantages; an eclectic culture of 158,000 people, a tropical climate in which almost anything grows, a well-educated workforce, the South and North American markets on its doorstep as well as a big regional market in its backyard.

Its natural beauty of tropical forest and translucent sea, topped by a seductive “no worries”, “no problems” ambiance draws visitors back.

But the economy is causing a lot of worry for Dr Kenny Anthony’s St Lucia Labour Party (SLP) government which won another five-year term in December 2002.

It is having to deal with the double trouble of a decline in banana receipts of 43 million EC dollars in 2001, and a further 120 million EC dollar drop in tourism revenue in the same year. And since trouble always seems to come in threes, a predicted rise in the cost of crude oil might further weaken the economy, warned Dr Anthony recently.

Despondency

With unemployment at 17.5 per cent last year, amongst young people in particular, there is some despondency at the lack of opportunity. Many have pride and hopes vested in St Lucia, but are compelled to think about an overseas move to find employment. As a sign of some deprivation, it’s quite common to meet elderly and young alike trying to raise a dollar from passers-by on the streets of the capital, Castries.

This is being directly linked by some to growing fears of crime in the country. Opposition leader for the United Workers Party (UWP), Marius Wilson, says that although St Lucia is not yet a Jamaica, many St Lucians are worried about a triangle of unemployment, quick bucks to be made from drug trafficking and the purchasing of firearms to assist theft and other crime.

Rather than poor policy, many in the country lament that the economic fortunes are to a large extent outside their control: they’ve had to take on the chin the punches thrown by the WTO, first bananas, then rum and poultry meat. Then there are the events of a uniquely unfortunate year when drought hit the banana production and the “9/11” terrorist acts in the United States simply deterred people from taking planes to the Caribbean.

Whatever the reasons, the shockwaves from the decline of tourism and

banana receipts have been felt in other areas of the economy from supermarkets to banking, reducing the scope of government for public investment.

Many of those with whom we spoke echoed the views of Wilfred Pierre, Minister of Finance and National Authorising Officer (NAO) for EU funding. He sees the future in a continued restructuring of the banana industry to produce a high quality niche product whilst pushing ahead with the diversification of the other areas of the economy from financial services to fisheries.

Disposable income

The banana – which replaced sugar as the island’s principal crop some 40 years ago – is not as important to the economy as in the eighties and early nineties. But the decline of the industry has wiped out St Lucia’s “disposal income”, points out leading businesswoman, Charmaine Gardner, managing director of a family hardware business.

“We must not psychologically accept the demise of the



Some of St Lucia’s natural advantages



The cruise sector did well in 2001

banana," says newly appointed senator, Ferrel Charles, a businessman with a highly successful supermarket and car import business. The "9/11" sideways blow for the economy gives even more resonance to the message that not all eggs should be put in the tourism basket.

The EU has been supporting the government's restructuring of the industry with aid for a higher yielding, more efficiently run, top quality banana industry.

But some are cautious about attaching too much significance to the events of 9 September last. "We cannot blame what is happening in St Lucia on 9/11," says Mrs Gardner. Last year's figures seem to back up her view to some extent, with a fall in visitors already occurring from May-June of last year and simply a further shock to the industry in September 2001.

Tourism's tumble

According to St Lucia Hotel and Tourism Association figures, overall stayovers fell 7.6 per cent from 269,850 to 249,251 and amongst US citizens, the biggest group of guests to the island, from 97,532 to 91,243, or -6.4 per cent.

Month-on-month statistics make even more interesting reading. In January 2001, US stayover visitors increased 43 per cent. The decline set in already from May (-11.3 per cent) and as expected a -33 per cent drop in October following "9/11".

Amongst UK stayover guests, there was a -9.4 per cent tumble last year overall, whereas increases were recorded for the first five months of 2001, then a June decrease of -26 per cent, in August -34 per cent. A further shock to visitor numbers came in October following 9/11, when there was a drop of -32 per cent. But this is not a popular time to visit the Caribbean anyway.

Stayovers from within the Caribbean increased by 10.3 per cent.

Cruise passenger arrivals increased 10.5 per cent last year. There were especially big jumps in the first five months of the year, with a falling off from June and a heavy -25.5 per cent fall in September.

"Simply howzat"

The administration is anything but laid back about last year's statistics and has repackaged the marketing of St Lucia. McHale Arthur, permanent secretary with the Ministry of Tourism told us that he felt for some, the

Caribbean had become a "tired destination". Furthermore, St Lucia could not compete with the low prices of all-inclusives in Mexico, the Dominican Republic and Cuba, or even with the shopping mecca, Dubai.

Another factor last year was the pulling out of British charter companies. Arthur says the government decided it no longer wanted to subsidise the charters. However, UK scheduled airline Virgin has added another flight to St Lucia, as has US Airways. St Lucia is also developing hub arrangements such as with St Vincent and Grenadines to bring in visitors on regional carriers.

The new marketing appeals to all senses and sensibilities. The "Simply Beautiful" slogan – posted on transport throughout the UK and US – stays. But the focus is broader than just being a beach lizard: for instance the impressive new cricket stadium at Gros Islet which will one day host internationals and eventually, test matches and May's jazz festival.

Arthur says the message he received from last year's industry results was the need to add value at the upper end of the market and increase tourism growth to sustain economic growth overall.

Rodinald Soomer, executive vice-president of St Lucia's Hotel and Tourism Association, says the target is to increase the number of rooms from 4,400 now to 7,000 in five years time. Given this expansion, environmental concerns such as dealing with effluent and also improving St Lucia's internal transport network are a priority.

There is sometimes some very severe congestion on St Lucia's roads around Castries, especially when as many as three or four cruise ships a day berth in the terminal, a snake of taxis heading off for the beaches up the North of the country and down South to Soufriere and the Pitons.

Road development

The Ministry of Works has a major Roads Development Programme (RDP) underway. It is thought that this eight-component programme, put at 180 million EC dollars, will be largely funded by Caribbean Development Bank loans (with a current pledge of approximately 120 million EC).

Felix Finisterre, Minister of Works, told us that diggers should shortly get going on the first two roads from Vieux Fort-Soufriere: "A lot of our tourism products, including the international airport, are here."

Repairs and resurfacing to four alternative routes into Castries from the North, a big residential area, would also have a major economic impact. Works to two roads in the Dennery area would benefit banana farming areas, he said.

The French government has said it will put up some money towards relieving congestion around George Charles airport, St Lucia's second airport near Castries, one of the worse bottlenecks, with additional lanes, two flyovers and pedestrian overpasses planned. The Kuwaiti government has also pledged loans here. French money is also expected to help improve the tertiary road system in agricultural areas of the country. Having withdrawn from the Caribbean Development Bank, France had upped bilateral aid to the country, indicated Finisterre.

Telecommunications liberalisation

There are hopes for jobs in the telecommunications sector, which is at an "interesting stage of liberalisation," says Finisterre, with OECS member states governments poised to issue licences to applicants.

The St Lucia based Organisation of Eastern Caribbean States (OECS)*, has been driving liberalisation of the sector

in one economic space, ECTEL. As Jimmy Emmanuel, special assistant to OECS Director General explains, in April 2001 OECS governments agreed a 12-18 month period when companies from internet service providers to cellular phone operators, were asked to make their applications to do business by mid-March 2002, with responses given by the respective countries' authorities by 1 April 2002.

Competition in the sector should, however, get off the ground by 1 October 2002.

The commercialisation of the water company, WASCO, is also underway. The onus here is to assure reliable, universal delivery of quality water throughout the island. In southern rural areas, water can be cut off for several days on the trot and even in Castries, supply cuts and water pressure are issues.

There were also plans afoot, confirmed Finisterre, for a more commercial approach in the postal services, adding that the priority was investment in infrastructure. He said that corporatisation of postal services should occur from mid-2003.

Education

But the plans to diversify the economy and benefit from any job opportunities of liberalisation will depend on educational opportunity, argue many. Marius Wilson stresses the part education can play in economic development.

The EU has past and present pledged quite a lot of funding for the sector, under its country pledges to St Lucia, and also under regional aid budget lines. This includes funds to upgrade schools, a programme to provide regional and European scholarships to train health professionals and a school meals programme which includes the construction of school gardens, planting of nurseries and poultry units. EU funds have also built the Vigier infant school and backed an adult enhancement and training programme.

A regional programme co-funded with the OECS involves improvements to tertiary level education including administrative reform within institutions and establishing a computer network linking all OECS colleges. In addition, the Special Framework of Assistance

(SFA) to the banana industry earmarks money for adult education and skills training for former banana farmers.

Whilst achieving high standards, some schools seem to lack space, facilities and equipment. There are very committed teachers, such as Elijah Fernel, who works at Carmen Rene primary school in Sans Souci. But here, as in other schools, several teachers have to share rooms, their classes simply partitioned by blackboards. Although two extra classrooms were shortly due to be built, headmistress Virginia Meroe indicated that it would still be a tight squeeze for her 820 pupils.

Freedom of movement

A lot of hope for improved economic fortunes is being placed in regional markets. "The strength of the region is in being together. We must not act as chiefdoms," warns Ferrel Charles.

But although the Eastern Caribbean had monetary union long before the EU, based on parity with the US dollar, members of the OECS market of 560,000 citizens do not enjoy the freedom of movement now enjoyed by EU citizens. They cannot, for example, jobseek and settle in a neighbouring OECS state – something which has now become almost second nature to some EU nationals since 1992. Some OECS states fear that with a high level of unemployment in islands such as St Vincent and the Grenadines, their economic fortunes could worsen with an influx of jobhunters.

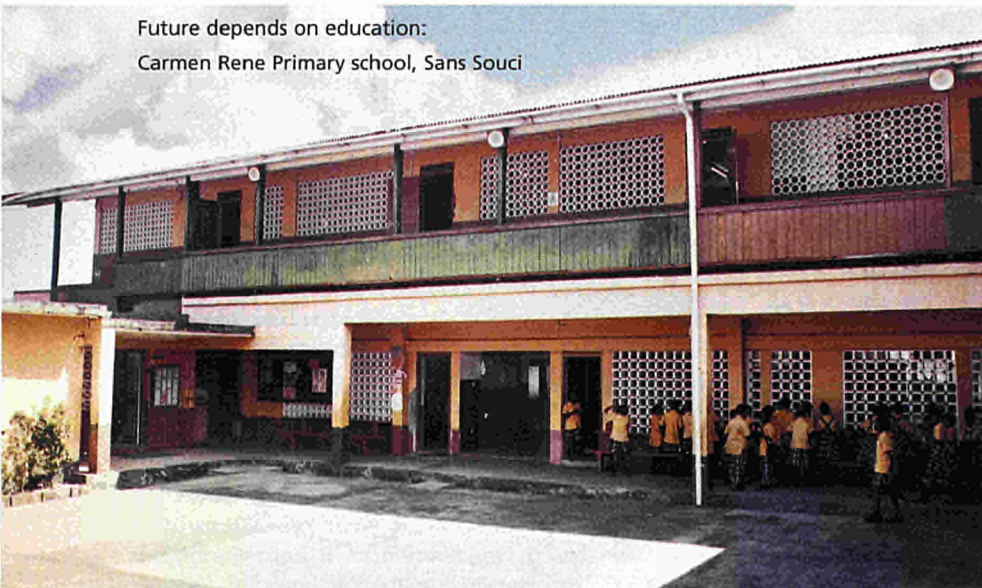
But small steps have been taken in this direction with the recent approval by governments for an OECS national to visit another for six months with an identity card or driver's licence, instead of a full passport. The next stage would be an OECS passport by 2003, says Emmanuel.

Although the OECS has been in existence for 21 years, in the area of trade it is the much bigger Caricom market and the more recent Free Trade Area of the Americas which are in the forefront. But rather than being gobbled up by the bigger groupings, Kendol Morgan, OECS communications officer, describes all the various regional players as "concentric circles" with the "smaller groupings feeding into the bigger grouping".

EU funding has assisted the OECS with micro-business promotion and export development. Libya recently pledged one million US dollars to support a two-year technical studies programme on movement of goods, services and monetary and fiscal policies of OECS states. The purpose of the study is to come up with recommendations for ministers on freedom of movement, services, capital and goods in a single economic space, the ultimate goal being "economic union", says Emmanuel. ■

* OECS member states:
Antigua and Barbuda, Dominica, Grenada,
Montserrat, St Kitts and Nevis, St Lucia,
St Vincent and the Grenadines.
Associate members: Anguilla, British Virgin Islands.

Future depends on education:
Carmen Rene Primary school, Sans Souci



Interview with Dr Kenny Anthony, Prime Minister of St Lucia

"It is an extraordinarily lonely period"

Dr Kenny Anthony's St Lucia Labour Party (SLP) was returned to power for a further five years in December 2001, winning 14 seats. The two seats lost to the opposition compared to the 1997 poll were in banana-growing constituencies.

A barrister, Dr Anthony also had an academic career lecturing at the University of the West Indies. When we spoke to him in February he was busy putting together the country's budget. Public spending was all the more difficult in 2002 because of some 43 million Eastern Caribbean dollars in lost banana receipts last year largely due to the worst drought in 40 years.

The Prime Minister admitted that this is a very difficult time economically for St Lucia. But the country is picking up the gauntlet to improve returns from the banana industry, diversify its economy and make the realities of small island economies better understood in the international community.

Dr Anthony was keen to begin with general comments on European Union (EU) support to St Lucia:

The government of St Lucia is very grateful for the support the EU has given over the past three years and commends the direct budgetary aid on the basis of the framework agreement.

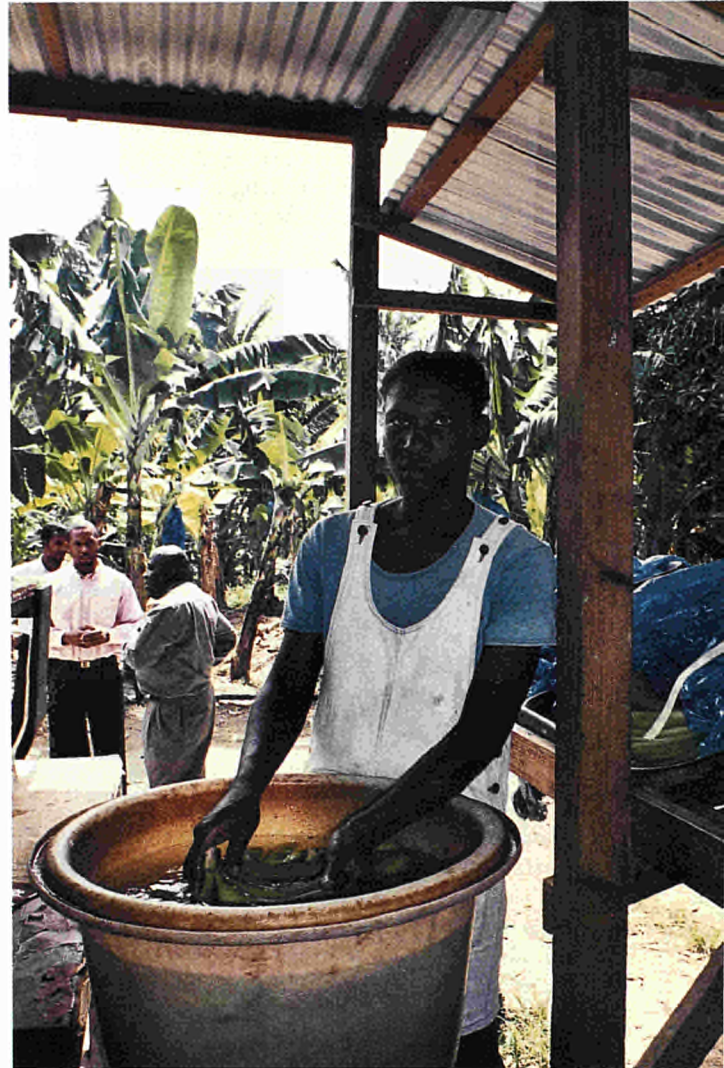
However, I am unhappy about certain aspects of aid to the banana sector. I applaud the EU's approach to commercialising the sector. Unquestionably, the way it was managed presented significant burdens to all. The public did not understand that the banana industry was previously very heavily subsidised. As a

public corporation all the debts of the St Lucia Banana Growers' Association (SLBGA) were the government's liability. I am not sure that the EU understood the delicate position of the government, and resources should have been allocated. The aid was not flexible enough.

Secondly, I am critical



Dr Kenny Anthony,
Prime Minister of St Lucia



A window of opportunity for the banana sector?

of the delays in funding to St Lucia. Although St Lucia is the only country so far to access the Special Framework of Assistance (SFA), the delays were exceedingly hard on us. Local officials have been blamed. I do not accept these arguments at all.

What are the current problems facing the restructured banana industry?

We are facing a serious economic crisis. Bananas account for over 60 per cent of our export income. The length and breadth of the country has declined. However, there is a window of opportunity. The mechanisms must be more directed, such as purchasing inputs for farmers. We need to re-think them. We have been given a six-year breathing space.

No matter how much we commercialise, we cannot cut the costs of production. We do not enjoy economies of scale. We must improve our productivity margin with further irrigation and tissue culture. An improvement in net returns is needed. We have not yet understood the enormity of the challenge. It might be of benefit, for example, to grow organic fruit. Grenada is starting to do this.

What are the government's priorities?

The economy is our most important priority. We have gone through a difficult period with a massive drop in income and the biggest drought in 40 years. This was mitigated by EU irrigation help. Adverse changes in sterling also reduced our income. We have to increase investment in banana income, a sector where we can make quick returns.

We are increasingly seeing increased unemployment in the rural sector. Every day I see individuals once in the banana industry who are no longer there because of poor returns. It is a problem confronting us all. Many of them are in their 50s or 60s and have no savings.

Is there any scope for diversification of the economy?

Nothing can replace the employment of banana farmers at one go. The local economy must be modernised and there has to be recognition of the national importance of the rural sector in economic life.

Diversification is an important policy. Two or three years ago, I championed the need for diversification within a clear programme. Diversification needs to be very clearly thought out. The Ministry of Agriculture must emphasise this. In the agricultural sectors, we must stabilise bananas and push for increased productivity and diversity in agriculture.

There are opportunities for investment in telemarketing and also through the de-regulation of telecommunications. To summarise: in the agricultural sector, we must stabilise bananas and push for an increase in production and strengthen our tourism image. There are missed opportunities here.

Do you feel that your efforts for economic growth are affected by the World Trade Organisation (WTO)?

It is difficult to meet with WTO requirements. A case in point is that our poultry product has not been quite understood. We wanted to increase the domestic broiler 10-30 per cent on the local market to give it breathing space. This was deemed a breach of WTO rules.

(The Prime Minister was referring to the recent happening: St Lucia is one of the biggest consumers of poultry products in the Western hemisphere – approximately 120lb per person annually – the bulk supplied by cheap United States imports. In an effort to stimulate the local broiler industry, the government said importers should apply for licences if they wished to import broilers, to see if demand could firstly be met from local supply. The United States reportedly threatened to take St Lucia before the WTO if it implemented such a measure.)

Have the 9/11 events in the United States affected the economy, in particular the tourism industry? Some argue that income from tourism had already been declining.

2000-2001 was the best year for the sector yet. But there was a downturn in the first quarter of last year attributed to the downturn in the US economy which further contracted with 9/11. Cruiseship arrivals, however, increased from 240,000 in 1996 to 247,000 in 2000 with an expected 500,000 this year. The cruise-ship sector is important to hundreds of taxi drivers, vendors and many others. The lives of ordinary people are at stake.

Very important strides have been made such as the heritage programme supported by the EU and many are now copying the St Lucian model.

We must engage in further diversification at the high end of the market. We cannot compete with the Dominican Republic, Cuba or Mexico, but we can at the upper end of the market. Hotels such as Ladera and Jalousie are doing well. We must also integrate more people and the benefits need to percolate. To summarise: we must concentrate on the quality product adding value at the high end, with the smaller properties filling in the gaps. In the Caribbean, there is room for individual marketing. A country's personality has to feature.

Turning to regional integration; do you believe that big enough strides are being made, especially over freedom of movement of people?

I am a great believer in integration and very involved especially on the legal side in CARICOM, but there are very difficult issues. For example, manufacturing is under severe stress. There has been a significant drop in output. One country, Trinidad and Tobago, is benefiting from CARICOM. Trinidad and Tobago also has natural advantages and brave decisions have made the economy leaner and more competitive. What do we do for example when a firm from Trinidad and Tobago purchases a firm in Barbados, closes it, and continues to export from Trinidad and Tobago?

Or, when 50 people lose their jobs in St Lucia, it is a significant loss. We are looking at what the islands need in terms of checks and balances. We must work harder in preparing people to cope with the changes. St Lucians fear freedom of movement if it means mass migration and loss of jobs. This argument is not totally unfounded, but there are exaggerated fears too.

We have no choice in the Caribbean but to integrate the regional economy, but we have not grasped the need for checks and balances to cope with adjustment. The development of a single market is occurring at a bad time in our economic history. All the islands are under economic pressure and there are fears of an annihilation of certain industries. The integration movement has been constructed by building blocks of confidence.

Strengthening the tourism image. The new cricket stadium at Gros Islet will host its first international in June 2002.



Negotiations on the Economic Partnership Agreements (EPAs) within the ACP grouping and the EU get underway in September 2002. Do you already have any thoughts on these?

Bananas will be high on the agenda of the EPAs. The islands have never had it so lonely as right now. I wish I had been Prime Minister 10-20 years ago. It is an extraordinarily lonely period in our history. ■

Opposition

"We need to create viable alternatives for young people"

Marius Wilson is opposition leader for the United Workers Party (UWP), taking over from Dr Morella Joseph who lost her parliamentary seat in the December 2001 elections.

Coastguards in Soufriere. Clamping down on a thriving trade in drugs to neighbouring islands



After a wholesale defeat in the 1997 election to Dr Kenny Anthony's St Lucia Labour Party (SLP), when they retained only one seat, the UWP came back in the December 2001 elections, winning two more seats, significantly in banana growing areas. A practising Attorney-at-Law since 1992, and representing Micoud-North, it is the first time Wilson holds a parliamentary seat.

Political fortunes in St Lucia are historically linked to the vagaries of the banana industry. The UWP was the dominant party throughout the eighties into the nineties. The then leader, Sir John Compton, led the country at independence in 1979 and subsequently won the general elections of 1982, 1987 and 1992.

1993 was a year of unrest in the banana industry, with falling prices followed by strikes. In 1996, Sir John resigned and Vaughan Lewis was briefly prime minister before Dr Kenny Anthony's SLP won a landslide 16 -1 victory in 1997.

When we spoke to him in his office in Castries, Wilson was particularly concerned about the

future livelihood of banana farmers.

He was critical of the disorderly privatisation of the industry and the lack of alternative employment for those from banana-growing districts like his own.

A UWP "zonal conference" in March 2002 issued a statement expressing "dismay" and "concern" at the "continuing decline of the industry" and lack of a long-term solution: "It is quite clear that no serious action is being taken to reverse this decline. All measures taken are in response to each new crisis hitting the banana community." It recommended "appropriate action" and "institutional reorganisation of the industry".

For Marius Wilson, the economy is a top priority. He does not envy the Prime Minister's current task of trying to increase growth. He believes, however, that the government could do more to encourage individual initiative in all productive areas.

Concern over crime

He's very vocal about the fear of crime and drug-related crime – a concern voiced by many St Lucians. "Castries has well-known ghetto areas like any city. You could go down by the sea in Micoud and the guys stay there until three or four o'clock in the morning, gambling, grilling their fish and smoking their weed because they have nothing else to do".

"A lot of crimes are associated with not having a job because people want to make a quick buck.

The thriving trade in drugs with neighbouring islands; St Vincent, Martinique and Grenada, is one of the quickest ways of earning money, he said, one run fetching as much as \$5,000 per head.

"The people who own boats say it is more profitable for them to transport people than it is to go

Marius Wilson, Opposition leader



fishing. As a criminal defence Attorney, I've often had to travel to St Vincent to release boats."

A worrying aspect of the growing incidence of crime is the caches of guns and armaments coming into the country, paid for with drug money, leading to further crime: "I have been astounded when I've been to see clients, at the number of weapons and their calibre," he said, adding that this had changed the sort of criminal acts perpetrated in St Lucia.

"A lot are being used for broad daylight robbery. Imagine, a bank robbery one hundred metres from these headquarters (in the centre of Castries) netted 300,000 EC dollars in broad daylight. They are prepared to do anything to get money."

"Within an hour of the same bank robbery, the money was taken to the port to collect a car worth 26,000 EC dollars. So, the money was taken from Bridge Street and bought back to Bridge Street within an hour."

Calling for some police reform, Wilson hinted that the Prime Minister had to take a tough stance. He supports the police, but there has to be a clampdown on any corruption. Some people were receiving reports on police activities in advance, he said, and this would go on as long as police officers were not paid enough.

"Clear guidelines are needed for magistrates, uniformity of sentencing etc. You cannot expect one man to be charged 20,000 EC dollars for the possession of 7.5 kilos of cocaine and another 1,500 dollars for smoking one ganja joint."

St Lucia does not have Jamaica-style gang warfare, but he knew of rival "gangs" on either side of a little stream in St Lucia.

"We need to create viable alternatives for young people, giving them choices, jobs and sporting facilities."

Another worrying area is the care of psychiatric patients, following one or two recent incidences where they have been involved in violent crime. Wilson says this was "very, very serious". How the police deal with those with psychiatric illness, including the use of automatic weapons in cases of violence, was also worrying.

Like some other Caribbean countries, psychiatric illness is something of a closet condition and care is poor, Wilson believes. "There is no clear policy. What is happening in areas of mental health – such as the medicines administered – warrants serious investigation."

National Alliance (NA)

Mr Wilson confirmed his backing for the National

Alliance (NA) with which the UWP joined forces for a time in the run-up to the last election.

Established by former SLP Minister, George Odlum, and former UWP Prime Minister, John Compton, the NA won no seats in the election but three per cent of the vote. It cracked apart before the elections because of differences in leadership, a lack of funds, and the so-called "Libyan affair", which partly happened because of unfortunate timing.

NA founder, George Odlum, explained to us his idea of bringing together an alliance of all political colours in the interests of St Lucia: "This is the only way for the islands to embrace the broad concept of one Caribbean".

He believes that polarisation of parties results in resources being spread thinly, stifling the creativity needed to move the country forward at a time when globalisation was taking its toll on small island states. Members of Parliament representing the majority party would almost be guaranteed a ministerial posting, but he wondered if they all have the necessary expertise.

"The Alliance had a big chance of getting off the ground," said Odlum, who resigned from the SLP government in April 2001 to form this umbrella party of politicians and businesspeople. The UWP, whose leader was then Dr Morella Joseph, agreed to come on board. To resolve the leadership issue, three "co-leaders" would represent the party: Sir John Compton, as president, Dr Morella Joseph, vice-president and George Odlum, political leader.

But internal leadership infighting arose, and the Alliance was also discredited in the media and by political candidates because of the "Libyan affair." He had visited Libya four times to try to sell them bananas, explained Odlum. He was acting in the interests of St Lucians, looking for alternative markets when traditional ones were declining. "The government's only chance of survival was by crushing the Alliance," he explained.

Whilst courting Libya, the 9/11 attack occurred in the United States. General suspicion of links with Arabic countries grew, and suggestions of Libya's funding the Alliance became rife.

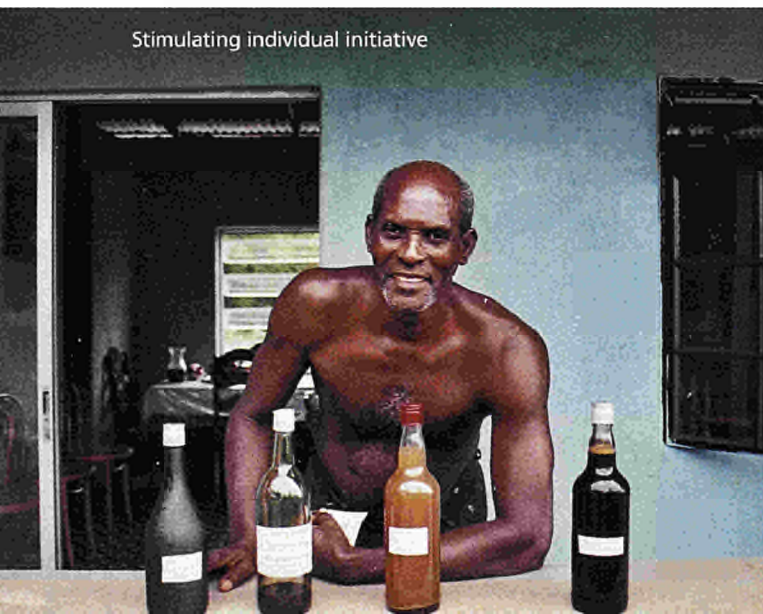
This worsened the internal rifts in the party and by October 2001, Sir John Compton pulled away and the UWP decided to fight the elections alone.

Odlum says he has no qualms about such a "relationship between two countries", putting the interests of St Lucia first. As a former foreign minister with the SLP government he secured a package of support from China, including the construction of a national sports stadium, currently underway in Vieux Fort, and a free trade zone in Vieux Fort. He also secured grants for St Lucians to study in the health sector in Cuba, also maligned by much of the international community.

Marius Wilson remains a supporter of the "Alliance" concept: "It's that kind of collective approach that we require to deal with the problems that confront us economically. In my heart, I still believe in the Alliance. I chose not to stay with it for my own political survival," he explains, adding that he is still in close contact with prominent supporters like Peter Josie.

Odlum intends to revive interest in the party, in spite of ongoing leadership questions: "The government is fooling people on the economy," he told us, adding that he wanted to: "keep the Alliance alive". ■

Stimulating individual initiative





Irrigation Management Unit

St Lucian bananas: a slimmed-down industry limbers up

Bananas account for around 96 per cent of St Lucia's agricultural exports and 60 per cent of total domestic exports. Many farmers remain dependent on the fruit, which for the past half century has provided a steady income that reaches all parts of the country.

In the words of one banana company manager: "The industry puts money into the economy to make things happen." Over the past few years "restructuring" and "recovery" have been the industry watchwords in an effort to improve the quality of bananas. This is necessary in order to face the onslaught of more open competition in the international market that has already taken its toll on St Lucia's exports. The European Union has come to the government's assistance with a range of financial instruments to increase output and efficiency and soften the social blow.

This is because another "r" – for redundancies – has been the downside. According to the latest statistics there are currently just 2,333 certified farmers in St Lucia. As a result of the current international situation in the sector and the restructuring process others are expected to leave the industry, with a domino effect on other areas of the economy.

Shaping up for keener competition

The creation of a single market in the European Union in 1992 opened the doors to competition from Latin America. But the African, Caribbean and EU countries successfully defended the duty-free quota for ACP bananas – enshrined in successive Lomé and Cotonou protocols – at the World Trade Organisation (WTO).

Nevertheless, tariffs and quotas will be replaced by tariffs only after 2006, although the current Cotonou Agreement does give a commitment to keep the same level of imports from ACP banana suppliers for a further two years until 2008. But for Windward banana farmers it is an uncertain scenario.

EU aid is already given under Stabex funds, which offset lost export receipts on fresh bananas, and under various parts of the European Development Fund (EDF). This is now being

complemented by a Special Framework of Assistance (SFA). Dr John Ferguson, an agronomist working closely with the EU's delegation for Barbados and Eastern Caribbean States, says the new aid will aim to improve production of a high quality, "niche" product, to diversify the economy and to provide safety nets for social fall-out from the industry.

The previous EU funding has already improved quality. Over eighty per cent of the Windwards' exports are to the United Kingdom's big five supermarkets at premium prices. This is in the face of a shrinking EU banana market.

Management of the market

To date, St Lucia has gone further down the restructuring road than its Windward neighbours, St Vincent and the Grenadines and Dominica. In 1998, St Lucia's Banana Act was dissolved. This led to the formation of four banana companies out of the embers of the government-subsidised St Lucia Banana Growers' Association (SLBGA). The companies provide services to the farmers, while the Windward Islands Banana Development and Export Company (WIBDECO), owned by Windward governments and farmers, does the marketing.

In the interests of a seamless operation to improve efficiency and productivity in St Lucia's banana industry, the prime minister and other interested parties approved, in July last year, a blueprint for the future. They agreed on WIBDECO's proposal for at least one private banana company per island in which farmers own shares, and defined the responsibilities of all those involved. A contract between the company and individual growers would ensure that volumes and quantities were met.

When we visited St Lucia in February/March we canvassed the views of farmers, government, companies and WIBDECO on all the changes in their industry and on their anxieties and



Heraldine Rock, banana farmer. "Farmers are now subsidising the industry"

hopes for the future.

2001 – a terrible year

2001 could not have been worse for the St Lucian banana industry, and this was only in part due to the industry's internal shake-up. Throughout the Windwards production fell to 82,000 tons from nearer 140,000 the previous year. St Lucia was hardest hit, falling to just 34,000 tons from over 70,000.

Many reasons are advanced to explain why St Lucia, the largest of the islands' exporters, suffered so badly. WIBDECO's business development director, Donal Piense, says that things started to go wrong in the second

half of 2000 because of EU licence fraud involving Ecuadorian fruit. This led to surplus bananas on the EU market and depressed prices. As a result banana companies were unable to provide credit facilities for inputs. This was compounded in 2001 by the worst drought in the country for 40 years.

The farmer

Most of the farmers we met, especially those working smaller plots, said it was hard work to meet certified standards. They said they paid too much for inputs like fertilisers and they complained about getting hold of inputs and a lack of credit to finance them.

Heraldine Rock, who was the country's first woman minister and is a long time banana grower and industry watcher, echoed the view that prices are too low and overheads too high. She says inputs now have to be paid for in full whereas previously they were subsidised by the SLBGA. "The banana turned sour a long time ago", she told us. Mrs Rock feels it is the farmers who are now subsidising the business.

But if there is so much hardship, why do so many farmers stay in the industry? Those we spoke to cited a lack of alternatives. The banana crop also offers some security in that it is not seasonal, and replanting is speedy. Then there is still the dependable weekly shipping link to the United Kingdom.

The companies

The companies formed out of the former SLBGA have their own problems.

"The industry is in a mess right now", says the managing director of Top Quality Fruit Limited, Peter Serieux. He feels that not enough is being done to promote a "Windward" brand or to help with irrigation and drainage. Prices fell as low as 40 cents per pound in 2001 (from 60 cents the previous year). "There was disorderly liberalisation and the EU assistance came too late", he says.

He is critical of the relationship with the marketing body, WIBDECO, and also draws attention to the high level of debt that currently restricts the companies' activities. He is in no doubt, however, about the demand for Windward fruit. Taking advantage of the market is a problem.

SLBC's managing director, Fremont Lawrence, traces the current discord back to February 1999 when the formation of various companies out of the former SLBGA was not done in an organised way and people had scores to settle. Mr Lawrence looks to the future and says he is very aware of the market-led nature of the industry. He predicts a better 2002: "We are better prepared this year and have had rain in the dry season."

WIBDECO

The marketing body, WIBDECO, is also more upbeat about prospects for the industry this year. Donal Piense estimates that the multiple supermarket business can sustain 115,000 tons annually. He acknowledges that it is difficult to compete head-on with Latin America but says that WIBDECO has had "a brilliant working relationship" with the supermarkets for the past three years.

For Dr Fletcher privatisation is working out "much as expected." He feels, however, that that St Lucian banana companies have missed a golden opportunity in failing to offer different services to farmers and in competing for the same ground.

The three-year SFA is an extra boost to the previous funding. All aid to the industry is now channelled through the Banana Industry Trust, set up by the government to manage all funds to the industry. Monies earmarked for 1999 (€8.54 million) and 2000 (€8.75 m.), will focus on making the industry more competitive and enhancing its management capacity. Among other things, money will also go to agricultural and economic diversification, human resource development, adult education and a farmers' pension scheme. ■



Ezechiel Joseph (left), with National Authorising Officer Wilfred Pierre (centre)

The Mabouya Valley Development Project is jointly funded by the EDF and the St Lucian government. Its objective has been high productivity on a model farm of some 150 farming families, using tissue culture and irrigation. Programme Officer, Ezechiel Joseph, says that some farmers have seen production climb from six to eighteen tons per acre. Now in Phase II (€796,000), the project is funding the construction of four workshops, which can be rented by farmers or, for example, school leavers for businesses like electronics or plumbing. Phase II is also financing agro-processing ventures and the development of eco-tourism.

Putting the Windwards banana industry on a competitive footing

A Q & A with Bernard Cornibert

In restructuring the banana industry, good relations between the Windward Islands Banana Development and Export Company (WIBDECO) and the local companies and associations are seen as crucial to a more streamlined, cost-effective industry. Bernard Cornibert is the London-based executive chairman of WIBDECO, owned by the governments and growers of the four banana producing islands: St Lucia, St Vincent and the Grenadines, Dominica and Grenada. Here he replies to questions about steps to enable Windward Bananas to compete in a fiercer marketplace.

How would you describe WIBDECO's role vis-à-vis the banana companies and associations in the Windwards?

Under the existing arrangements, agreed with the governments and other stakeholders, it was intended that WIBDECO would perform the following functions: product development and management, fruit reception and loading, marketing of bananas and other produce, research and development and diagnostics services, bulk purchasing of inputs and certification.

The local banana companies were expected to have responsibility for: pest and disease control, the supply and distribution of inputs, and the representation of growers' interest in contract negotiations with WIBDECO. WIBDECO has no difficulty with such a division of roles and we have succeeded in varying degrees, and substantially in some cases, in fulfilling those responsibilities.

However, there is an important area of responsibility, which at the moment remains unclear. This is the question of who should have contractual responsibility for purchasing the bananas from the growers. Logic suggests that the industry would be better served if the local companies function primarily as service providers, in the areas identified above, while WIBDECO engages the grower in direct contractual supply arrangements. However, what we have now is something of a fudge, where the local companies continue to operate in an area where the cost they contribute to the product outweighs the value they add to it.

Are you happy with the current relationship between WIBDECO and the companies and associations? What could be done to improve it?

WIBDECO is not unhappy with its relationship with the local banana companies, although, as I said earlier, we would have preferred some things to be different. However, I rather suspect that the banana companies might feel differently about their relationship with WIBDECO. But that is because the companies fail to appreciate the fact that the operations of the banana industry are driven or dictated by market imperatives and not by WIBDECO.

We at WIBDECO understand the market and are desperate to respond to its demands and requirements in an adequate and timely manner. That is the only way to maintain our position and survive in a competitive market. On the other hand, our local friends believe the market should respond to the needs of the industry, rather than the other way round. If there is a conflict between WIBDECO and the local companies, it really has to do with the difference in our interpretation of the market and how the industry should respond to its forces.

Has there been an improvement in the quality of fruit from the Windwards over the last few years and what could be done to improve that?

There has been much improvement over the years. Windward bananas have some of the most discerning customers in the UK

market. We could not have pulled off such a feat and, indeed, kept those customers for all those years, if the Windwards product was poor.

We cannot afford to let our guard down. From time to time we do falter, but this occasional slip-up is not in itself the problem. The real problem is the length of time it takes to resolve such problems, because of the clumsy management structure of the industry.

In the longer term, these problems should be addressed through the simplification and streamlining of the management structure, streamlining the grower base, operating supply contracts with growers, and enforcing compliance with the code of practice for certification.

Are you confident that the industry will be able to survive when the EU liberalises its market in 2008?

The conditions necessary for the Windward Islands banana industry to survive, if not to compete fully, in a more liberalised market, were outlined in a modernisation plan put forward by WIBDECO. Key elements were:

- a streamlined management and operational structure, to reduce cost and improve efficiency, and respond in a timely manner to market requirements;
- a streamlined, restructured and targeted grower base, capable of producing to volume and quality specifications on the basis of commercial contracts;
- significant investment in farm inputs, rehabilitation and replanting, and in both off-farm and on-farm infrastructure (drainage and irrigation).

If these can be achieved, then I think the industry will have a chance of survival.

Will additional props be necessary to ensure the survival of the Windwards' fruit?

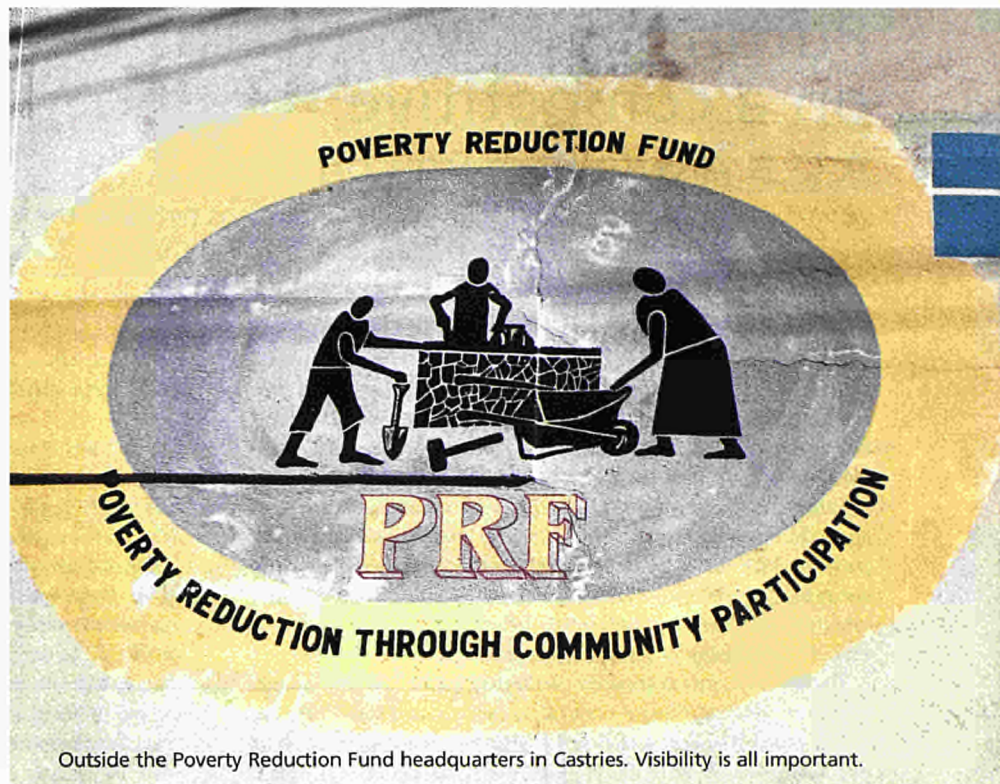
The Windward Islands banana industry will not be able to survive in a completely free or open market, with no tariffs or where all suppliers are subject to the same tariff level. The modernisation proposals to enable the industry to survive post-2005 assume that, at the very least, there will be tariff protection; that is, tariff preference at an appropriate level. It is not possible, at this stage, to say what level of tariff preference could or would be appropriate. That will depend to a large extent on how far the industry succeeds in narrowing the cost gap between its bananas and those of its lowest cost competitors. ■



Wibdeco's Bernard Cornibert inspects bananas

Tackling poverty

With the decline of the banana industry squeezing income all round, exacerbated by the bumpy ride tourism is having, the government is tackling poverty and unemployment head on. The Poverty Reduction Fund (PRF) and National Skills Development Centre, supported by the European Union (EU), are two bodies trying to fend off the scourges.



Outside the Poverty Reduction Fund headquarters in Castries. Visibility is all important.

The PRF was set up by the government in 1998 in the wake of the Cargill Report which stressed the negative social impact of the restructuring of the banana industry. The World Bank put up the money for the PRF's original design. In addition to a start-up amount, the EU also came forward with some €3 million, under its former Stabex budgets (Stabex was the EU's compensatory finance scheme to stabilise export earnings in ACP countries).

Defining poverty

One of the PRF's initial tasks was to give all St Lucia's communities a poverty index. Anse La Raye/Canaries and Dennery are the country's poorest administrative districts, but through the index the poorest communities can be pinpointed and aid better targeted. Some 400 individual communities countrywide are listed. This is useful because, according to the PRF tables, there are pockets of poverty throughout the country in both urban and rural areas.

Definitions are clear. A community is classed as poor if it lacks any two of the following; a water supply system, human waste disposal facilities at a family level, year-round accessible roads, schools and health centres that can be reached at less than one hour walking distance, and adequate housing facilities.

The poorest communities receive the bulk of PRF aid. At least 50 per cent of resources are allocated to communities classed by the index as "extremely poor", no more than 35 per cent is allocated to communities classed as "poor" and no more than 15 per cent allocated to communities classed as "less poor".

Visibility

Providing the general criteria are met, any community can walk into the office in Castries with a proposal. This "visibility" is important, says the PRF's executive director,

Donovan Williams. A lot of the funding so far has gone to basic infrastructure such as roads and footpaths, a direct link being established between building a road or footpath and poverty alleviation.

Other infrastructure projects are; bridges, drainage, water pipes, daycare facilities, information technology equipment and community centres – provided that they are not used primarily as dance halls! The PRF joins forces with other institutions such as WASCO, St Lucia's water and sewerage company, to provide pipes for households.

Williams says that Community empowerment is all-important, so ideally local labour is used. "We do not implement projects per se, but act as a vehicle for community-level development. The Community is at the forefront of making things happen. We are the implementing agency," he says. If a community is unable to organise labour, the PRF steps in with contractors.

Williams stresses that a project's cycle is; "as transparent as possible and communities are given access to information on why contract X is chosen as opposed to Y." There is a threshold of 250,000 EC dollars per project and proposals are approved by the whole community. Many are under this amount.

A typical recent project mounted with community participation is in Esperance, involving the construction of 1,000 feet (305 metres) of footpath and a footbridge at Delcer costing 23,435 EC dollars. The community provided all labour at no extra cost and as a result, an additional 600 feet (183 metres) of concrete road was built. Over 25 households benefited socially and economically.

The fund also provides social assistance, which is not necessarily community based, to the physically challenged, youths at risk, victims of domestic violence and the elderly. Twenty-five per cent of its annual budget is spent this way. Examples are a school for the deaf,

reading materials for the blind and assistance to the AIDs action foundation.

Income generation

Donovan Williams is keen to encourage more income-generating projects. There are examples already; a sea-moss producing enterprise in Micoud area. This delicious smooth beverage made from sea algae can also be mixed with alcohol, but, says Williams, marketing possibilities have to be looked at. The same goes for cassava processing by a Vieux Fort co-operative. However, Williams acknowledges that whilst keen to support income-generating projects, the fund has to "proceed with caution" in ensuring that such business ventures are not outside its ethos.

With its track record of reaching out to communities, the PRF will channel some of the EU's Special Framework of Assistance (SFA) support for the banana industry 1999-2001, which has just come on track.

Specifics of this "sub-project" for the PRF – which aims to cope with the "social fall-out" of some 2,200 banana industry workers – are still being worked on.

Re-training, a farmer's pension scheme and the building of lifeskills will all feature, says Williams.

National Skills Development Centre

Learning skills and re-training are targets of the National Skills Development Centre which has previously received Stabex funding and is slated to receive SFA money. It trains people in vocational skills like plumbing, hospitality, barwork, hairdressing and "soft skills" such as interview techniques, career assessments and compiling CVs as well as providing counselling to those out of work.

Since February 2001, 2,000 people have already been through its doors. Its services are primarily aimed at those aged 16+ who may have missed out on formal education, aiming to give them a "skill for life". The Centre, a little out of the capital, is very accessible with an open door policy.

The Centre also wants to start up small business units. We saw a display of paper products made by trainees out of cassava. Whilst it is not there to preach entrepreneurship, it does try to identify and advise people with business acumen.

The Centre also intends to generate income by offering its services – such as typing resumes – for a small fee.

The EU has also provided Stabex assistance to upgrade youth skills centres in Gros Islet, Choiseul, Anse-la-Raye and Soufriere as satellites of the National Centre.

Hospitality Institute

The hospitality industry is also expected to get a training boost. Former EU Stabex and regional funds (respectively €2 million and €650,000) are earmarked for the construction of a hospitality institute in St Lucia to provide diplomas and degrees and short catering courses for tourism industry trainees.

This follows in the footsteps of the successful Pommarine Hospitality Institute in Barbados, run with the local Community College with links to the University of the West Indies. The Pommarine is also an income-generating hotel where students can practise what they've learnt on paying guests. The same formula is expected to be applied in St Lucia.

The creation of a new Ministry for Social Transformation

by the new administration is a sign of increased government focus on poverty and unemployment. This has placed all social projects and bodies under one roof. The Minister with the portfolio, Menissa Rambally, explains that her role is not just about providing "infrastructure, but having an impact on the values of society."

With 70 per cent of the population below the age of 35, St Lucian society is youthful, she explains, and there is a lack of opportunity and employment. Feelings of restlessness and frustration are especially rife amongst 18-20 year olds.

She is keen too to help groups such as single mothers or "childmothers", as they are popularly called in St Lucia. Minister Rambally described to us a recent visit to her office of a young woman, a single mother desperate to find employment. In the short time she was waiting to see the Minister, she wove thread around a pencil and embroidered it with Menissa Rambally's name.

The quality of what she produced was remarkable and marketable, said Ms Rambally. She asked the young lady why she did not try to sell her skill. "She didn't even know she had a talent," said Ms Rambally, adding that she intended to reach out and foster similiar skills of other single mothers. ■



Above, a hospitality institute for St Lucia to replicate the success of the Pommarine, Barbados (pictured)

Below, information technology room, National Skills Development Centre

Diversification: hopes and hurdles

Angie Smith and her husband stopped growing bananas for export five years ago making a brave swap to flowers and fruits and vegetables. She has the enthusiasm and drive to try something new, yet has been dealt a blow by a slump in the tourism industry over the past few months. The temporary closure last year of one of St Lucia's leading hotels severed her flower sales overnight.

The Royal St Lucian hotel has now re-opened and Mrs Smith has resumed her weekly deliveries for the hotel's flower displays. She would like a larger market but in St Lucia there's not a big demand for flowers outside highdays and holidays like Valentine's day and Christmas.

Anthuriums and ginger lilies grow well in her three-four acres in Montete, Choiseul, in the south of the country. She is not too far from Vieux Fort international airport where there are flights to Europe. But topography, local transportation and overseas freight costs all seem stacked against any new export venture.

Her case is poignant, an illustration of the difficulties of mainly family run farms in small island states who are trying to diversify their production. Her sturdy looking anthuriums contrast with many weedier equivalents seen in European supermarkets.

She has recently enrolled in flower arranging classes in the capital, Castries.

"I understand that there's a growing market for tropical flowers like mine in Europe," she says. Even when she takes the anthuriums to the Royal St Lucian in Rodney Bay, in the north of the country, the Myer's bridge through road to the nearest main coastal road is virtually impassable without a jeep. It has been this way since the devastation of hurricane Debbie in 1994.

Although the new administration is planning a major renovation of all roads with the aid of the Caribbean Development Bank, Myer's bridge being one of the first stretches for attention, the detour she currently has to make adds an extra 30 minutes – and cost – to her journey.

Even if the journey is soon made easier, there are no refrigeration units in Vieux Fort international airport, essential because of the heat and fragile nature of the blooms. That's before counting the competition in the international market place, meeting international standards and organising and paying for freight.

Co-operative

To try to overcome such difficulties, Mrs Smith has joined forces with other flower growers who, in forming a co-operative, are trying to get business in Europe. Albert Sinclair, president of the Floral Co-operative Society who keeps regular contact with all 33 farmers in the body, says potentially 77 flower farmers in the country can produce for export.

Sinclair has attended overseas trade fairs and has recently identified a UK firm interested in St Lucia's flowers. But he has to prepare a promotional video and other marketing material for the company.

The co-operative is currently working on pricing blooms at around 50 EC cents per anthurium. In the UK, a single flower plus vase, fetches around 4 pounds sterling or around 15 EC dollars in a quality store.

"We have managed to access some EU funds, about 450,000 EC dollars, for irrigation and rehabilitation of farms," says

Sinclair, but acknowledges that marketing, haulage and competition in the area from such as the Netherlands and neighbouring St Vincent and the Grenadines, are also to be contended with. A reception, standardisation and certification depot is needed to pack flowers for export.

The mango middle man

Pierre Moise is more of a middle man, buying mangoes and breadfruit from individual farmers and exporting them to the UK. He talks animatedly about the many varieties of mango in St Lucia. He too laments the lack of refrigeration facilities at Vieux Fort.

For Moise the export venture is currently just a sideline. He is selling just a few boxes a week and cannot meet his UK-based importer's demands. He is waiting for the abundant summer season for mangoes, so he can fulfil orders.

Because of the difficulties; topography, transportation and the big investment in marketing to find buyers, it is easy to see why many are less than optimistic about any diversification on a big scale in agriculture out of bananas, apart from a few niche markets pursued by individuals.

Dr James Fletcher, permanent secretary at the Ministry of Agriculture, at the forefront of giving St Lucia a bigger agricultural base, says that joining forces in co-operatives, or consortia, may be the way forward.

He says that St Lucia's natural advantage of a tropical climate where anything will grow, is strangely a drawback. "One of the painful lessons we learnt from bananas is that production has to be market-driven." The country has to fulfil the needs of the domestic market for agricultural produce, including those of the tourist industry and export requirements.

He suggests that the local marketing board could take a stronger lead in drawing up an overall picture of demand, supply, quality and quantities.

He also suggests that the country could in some way "piggyback on the success of the banana" in offering other tropical products including "tropical packs" to the big UK supermarket outlets who are buying the bulk of bananas, as well as growing more organic produce.

A future in fisheries

He and many others in the country are also enthusiastic about a future for fisheries, St Lucia having recently started to export king fish to Miami. The Japanese government has assisted with the construction of landing facilities in the fishing communities of Soufriere and Choiseul in the south of the country. Dr Fletcher also sees a future for aquaculture such as shell fish.

Dylan Jean, fisherman in Riviere Doree in Choiseul, says he could expect to sell his catch to the Soufriere facility for around five EC dollars per lb, compared with the six EC dollars from local direct sales. Direct selling also involves extra transport, time and money – and big lungs to blow on a conch shell to announce the sale of fish!

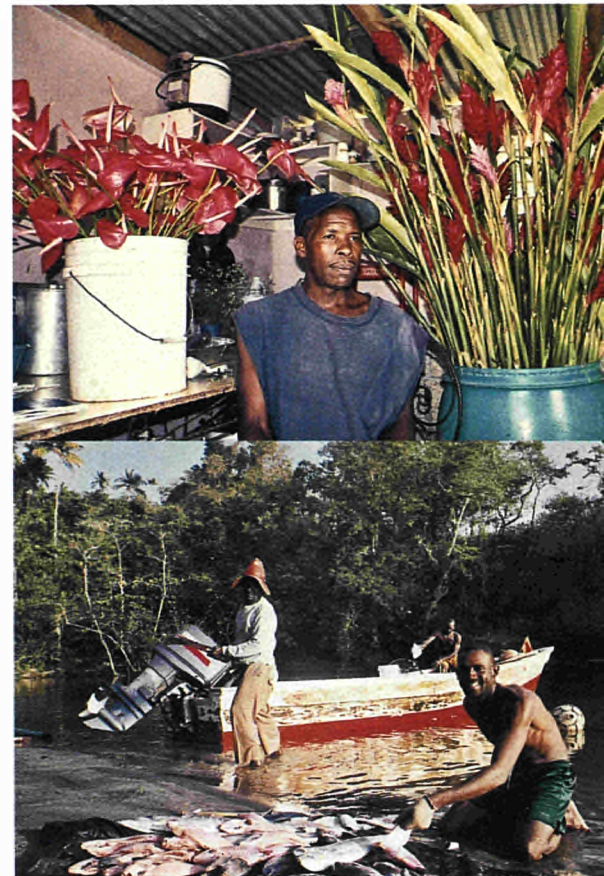
The EU has already put up some money for small-scale fisheries development, including pot fishery management to avoid over-exploitation of resources. The scheme, funded with Stabex funds, involves the tagging of fish pots, mainly used to catch lobster with the boat registration and fish licence numbers of some sixty-six vessels. The government now wants to encourage longline fishing so that boats can go further offshore where there are bigger fish like tuna.

As for agro-processing, those we spoke with did not feel that there was a lot of scope. Although supermarkets are attempting to promote local products and there are many regional imports of products like tropical juices and canned vegetables from Trinidad and Tobago, Barbados and Jamaica.

“We can never be a low cost producer”, says Brian Louisy, executive director of St Lucia’s Chamber of Commerce. He turns his attention to opportunities outside agriculture in telecommunications, information technology and upgrading the mainstay of the economy, tourism, with a fresh focus on attracting visitors to event and specialist holidays such as the jazz festival, sporting fixtures, health and fishing holidays.

Louisy says that the financial services sector also has potential. St Lucia, like other islands is having to tighten up its off-shore financial services regulations after the Organisation of Economic Cooperation and Development (OECD) black-listed it and other Caribbean countries for “harmful tax practices”.

In the wake of the tussle with the OECD, Louisy voices the view of many we interviewed over the mixed messages of on economic diversification coming from more developed countries; “We are told to diversify our economy into services, show willingness to be competitive with incentives and concessions, then we are told we are harming others”.



Above, Thomas Francis, worker for Angie Smith, between anthuriums and ginger lilies
Below, a future in fisheries? Bringing in the catch at Riviere Doree: Rismay Robinson (in hat), Jeffersen Jean (in boat), Dylan Jean (seated on ground).

A strong family business

The EU has recently announced a €70 million boost for the ACP Caribbean rum industry. This follows an anticipated loss in sales of white rum resulting from an EU-US deal done in WTO negotiations.

Back in 1996, the EU and US traded off in WTO talks, information technology access against an elimination of duties on imports of white spirits such as gin, vodka and rum. This “zero for zero” agreement extended Most Favoured Nation (MFN) status to all white spirit suppliers.

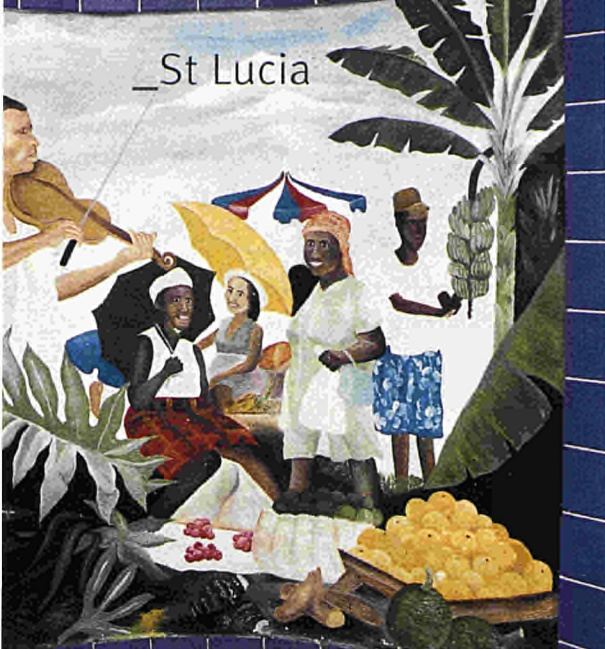
Not consulted, Caribbean producers realised that the MFN provision could result in lost sales of white rum used in the production of bulk rum, to cheaper producers like Brazil. David Jessop of the Caribbean Council for Europe, and Patrick Mayers lobbied the EU long and hard to explain what appeared to be the unconsidered consequences for Caribbean rum producers.

Laurie Barnard, chairman of St Lucia Distillers Ltd, says that the EU programme, is multi-faceted including the upgrading of distillery facilities, improvements to environmental standards of production and monies for marketing. The market for quality darker rums – already open – is looking particularly promising. But under the scheme, any EU pledge has to be matched by money from the distiller’s own pockets. Laurie Barnard’s family rum distillery has been making rum since the 1800s and employs 136 people. Since sugar production has now ceased in St Lucia, he imports the raw ingredient, molasses, from Guyana.

He also blends rums for UK supermarkets, and makes creme rums and liqueurs. “Business is holding up,” he says. He plans to market his products more vigorously in Canada and Japan. He also wants to make his flagship product – “Bounty” – already very popular with visitors to St Lucia – better known in the European market.

EU aid for the rum industry





“Kwéyòl”: a thriving language

Whether “liming” in a rum shop or being heckled in Castries market on a Saturday morning, the language you are most likely to hear is Kwéyòl, the gist being picked up with some understanding of French.

medium. Some are more fluent in Kwéyòl than English. He stresses that St Lucia is a bilingual nation.

“Jounen Kwéyòl”

Kwéyòl is not formerly taught in schools, its teaching limited to *Jounen Kwéyòl*, (Kwéyòl Day) in October. October is Kwéyòl heritage month, when the culture is celebrated countrywide.

There is no Kwéyòl newspaper – the former one *Balata* (meaning hardest tree in the wood) closed down. But there are slots on local radio and Kwéyòl presenters are amongst the country’s most popular. The government also records a ten-minute news programme in Kwéyòl, *Weflechi*, which is broadcast by local media.

Public figures regularly give addresses in both Kwéyòl and English, including the Prime Minister and the Governor-General.

Because English is the first language of St Lucians, with American cable TV dominating, a whole range of new vocabulary is coming to Kwéyòl, explains Samuel. He is positive about this, saying it should be studied and documented.

He believes that the use of Kwéyòl fosters “identity and self-confidence”. Most St Lucians understand Kwéyòl, but have a psychological block against using it. Such reluctance is “harmful to the psyche of St Lucians”, he says, explaining it as “a denial of the strength of African culture” in his country.

The first English-Kwéyòl/Kwéyòl-English dictionary, by Jones Mondesir was published in 1992, to “provide a record of the structure of the language and assist speakers in maintaining their competence in the face of the erosive effects of English”. ■

It is a mistake to interpret kwéyòl as “broken French,” says Kennedy “Boots” Samuel, executive director of the Folk Research Centre (*Plas Wichès Foklò*). This Castries-based NGO is researching and promoting Kwéyòl's use alongside its other activities promoting the country's heritage.

The centre is one of many attractions of the EU's tourism heritage programme which aims to promote St Lucia's culture.

St Lucia changed hands 14 times between the French and the English before gaining independence in 1979. This explains the predominance of French vocabulary in Kwéyòl. But although its lexical items come from French, English, Amerindian and African, says Mr Samuel, its syntax and semantics are more related to the Niger-Congo group of languages of West Africa.

Fifteen million people speak Créole worldwide, he says, but there are variations. Given St Lucia's proximity to Dominica and Martinique, its Kwéyòl is understood in these two countries. It has less in common with the Patois of Suriname or Jamaica, where colonial influence meant that respectively more Dutch and English words were absorbed into the language.

Literature at the Folk Research Centre puts Kwéyòl in its modern context: “The language is not officially recognised in St Lucia, but it represents the heart and soul of the local populace,” says Samuel.

Revival

After years under colonialism when Kwéyòl was suppressed, the language is currently enjoying something of a revival. Samuel believes that many St Lucians may not have gained the full benefit from their formal education, because English is the teaching



St Lucia's Folk Research Centre, one of the sites of the EU-funded Heritage Tourism Programme.

Short Guide to Kwéyòl

The Visitor's guide, published by Mary Toynbee, explains some of the general rules. A verb for example, has only one form in Kwéyòl. Tenses are indicated by auxiliary words: “ka” (present); “té” (past); “kay” (future)

Mw_ ka-alé - I am going

Mw_ té - alé - I went

Mw_ kay-alé - I will go

The government's website (www.st.luci.gov.lc) is flashing a new addition - audio news in Kwéyòl; “novel nou menm”. It is a sign that the government is getting ever more serious about both valuing Kwéyòl heritage past and reaching out to as many St Lucians as possible.

Express yourself in Kwéyòl:

Good Day - *Bon Jou*

I/me - *Mwen*

We - *Nou*

Today - *Jòdi-a*

Go - *Alé*

Rum shop - *Kabawé*

Displays/Exhibits - *èkzibit*

Excuse me - *Eskizé Mwen*

St Lucia is Beautiful - *Sent Lisi Bèl*

Welcome - *Byen vini*

You - *Ou*

Yesterday - *Yè*

Tomorrow - *Denmen*

Rum - *Wonm*

Music - *Mizik*

That's good - *Sa Bon*

Thank you - *Mési*

St Lucia



General Information

Area:	620 sq km
Population:	158,018 (est. 2001)
Population density:	255 (km ²)
Capital:	Castries
Other towns:	Vieux Fort, Anse la Raye, Soufriere, Dennery, Micoud
Languages:	English, Kweyol (Patois)
Make up of population:	Black (90%), Mixed (6%), East Indian (3%) white (1%)
Religion:	Roman Catholic (90%), Protestant (7%) Anglican (3%)

Political structure

Head of State:	Queen Elizabeth II, represented by Governor General Dr Pearlette Louisy (since September 1997) Prime Minister: Dr Kenny Anthony (since May 1997) elected for a second five year term, December 3, 2001. Deputy Prime Minister: Mario Michel
Form of government:	Bicameral "Westminster style" consisting of a Senate; 11 seats: six appointed by the Prime Minister, three by the leader of the Opposition, two by the Governor General. House of Assembly; 17 members appointed by universal suffrage "first-past-the-post" system. Current composition: 14 Saint Lucia Labour Party, and 3 United Workers' Party (UWP)
Main political parties:	St Lucia Labour Party (SLP), United Workers Party (UWP), National Alliance (NA), Staff Party, Freedom Party.

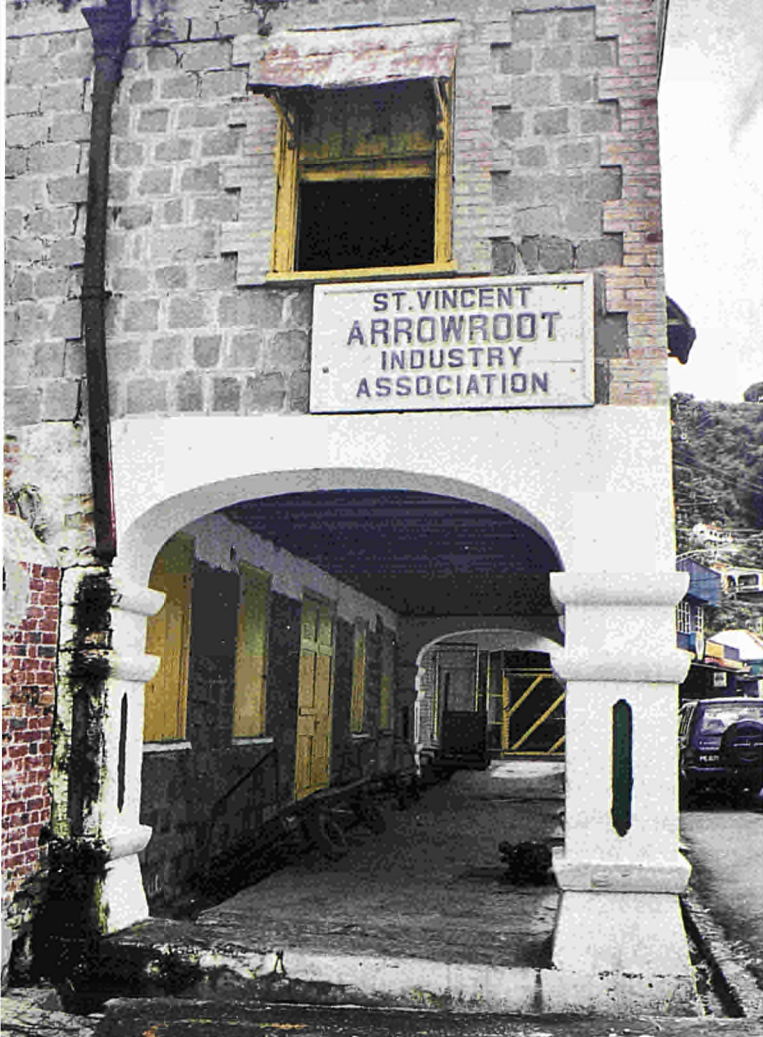
Economy

Currency:	Eastern Caribbean dollar: 1€ = 2.45 Eastern Caribbean dollars
GDP per capita:	US \$5183 (UNDP 2000)
Real GDP growth:	0.71% (est. 2000)
Main exports:	Bananas (60%), cocoa, vegetables, citrus, coconut oil
Main imports:	Food (23%), manufactured goods (21%), machinery & transport 19%, chemicals and fuel
Total external debt:	719.17 million EC (est. 1997)
Debt/GNP ratio:	14.53% (est. 1997)
Main trading partners - exports:	(est. 2000) United Kingdom (59.4 million EC dollars); USA (15.74 million EC dollars); Other OECs (13.9 million EC dollars); Barbados (10.90 EC dollars)
Main trading partners - imports:	(est. 2000) USA (359.5 million EC dollars); Trinidad and Tobago (138 million EC dollars); United Kingdom (81.4 million EC dollars); Japan (43 million EC dollars); Canada (36.8 million EC dollars)
Value of exports:	(including "re-exports") 117.1 EC million dollars
Value of imports:	958.7 million EC dollars
Balance of trade deficit:	-841.6 million EC dollars

Social Indicators

Life expectancy at birth:	Male 68.7 (est. 2000) Female 73.6 (est. 2000)
Population growth rate	1.47% (est. 2000)
Infant mortality:	15.22/1000
Population with access to safe water:	85% (UNDP 2000)
Adult literacy	82% (2000)
Unemployment:	17.5% (est. 2000)
Human development index rating:	0.728 (88th out of 174 countries: UNDP 2000)

Sources: St Lucia's Government Statistical Office, Central Intelligence Agency, USA (CIA), European Commission, UNDP, Human Development Report 2000.



St Vincent wants to revive arrowroot production

St Vincent and the Grenadines has been affected by WTO rulings on bananas, attacked for its secrecy laws in the financial sector, taken a blow from a weaker world economy and has been rocked by the events of 11 September. The shock waves from this outrage impacted heavily on a small country, increasingly dependent on tourism.

"9/11" has made a little steeper the path to "recovery and renewal", pledged by the Unity Labour Party (ULP) government of Dr Ralph Gonsalves. Dr Gonsalves was elected on a ticket of change in March last year after 17 years of rule by the centre-right New Democratic Party (NDP). Bringing down the worrying 22 per cent unemployment rate is a tall order in the current sluggish world economic climate. Unemployment is also related to social problems, notably vagrancy and crime – both petty and serious – linked to drugs trafficking from South America.

Steering the debate on change

Labelling itself the "poor people's government", the Gonsalves administration does appear to be trying hard to realise its policy pledges: to stimulate the country's growth, reduce poverty, bring down the high unemployment rate and improve lives. A wind of change is blowing through public as well as private institutions. Gonsalves has implemented a temporary wage freeze for 2002 on public servants, teachers and police and has recommended that civil servants and parliamentarians attend classes on good governance.

The debate on change is to be steered by three committees reflecting the population's make up, explains Laura Anthony Browne, a ministry of finance official and the National Authorising Officer for European Union funds. A national economic and social development council consists of a broad-based grouping of civil society representatives: the trades

St Vincent and the Grenadines Galvanising for growth

"Hairoun" is the name the Caribs gave to St Vincent or "the land of the blessed".

The mainly black sands of St Vincent contrast sharply with the white beaches and calm, crystal waters of the chain of smaller Grenadine islands to the south. Some are inhabited, others are simply yachters' paradises. But lately this twin-island state has had its share of misfortune and ill winds.

union movement, the business community, government officials and two of the political parties (the NDP declined membership). Its brief is to "subject the economy and society of St Vincent to critical analyses".

A tripartite committee on economy is to look at a raft of issues, including productivity, wages, employment, prices and investment, and to come up with policy recommendations. It has nine members: three selected by the National Labour Congress, three from the private sector and three from government. Its current chair, Joel Huggins, says its broad aim is to "advise the government and spread the gospel" on how to make the country more competitive.

Finally there is a cabinet committee comprising ministers and public officials of "production" ministries. It meets once a month to keep a "close handle on the economy".

Diversifying around the banana

Within the banana industry there is an action committee to monitor its requirements and its restructuring. The government is seeking to diversify the economy around the banana, still the biggest agricultural earner. The country did not suffer the steep dive in production experienced by neighbouring St Lucia last year. Most people believe this is because farmers, having previously subscribed to irrigation schemes supported by



the EU, managed to withstand four months of drought. EU funds have also been pledged to upgrade the Windward Highway, which will enable the fruit to reach the markets faster and in better condition.

The fact remains that banana production still fell 28 per cent from 2000 to 2001. Simeon Greene, from the ministry of agriculture, says banana earnings will not return to the high levels of a dozen years ago. But the country was carving a niche in “small, sweet, ethically produced bananas”, so as not to be blown over by the wind of keener global competition in a few years’ time.

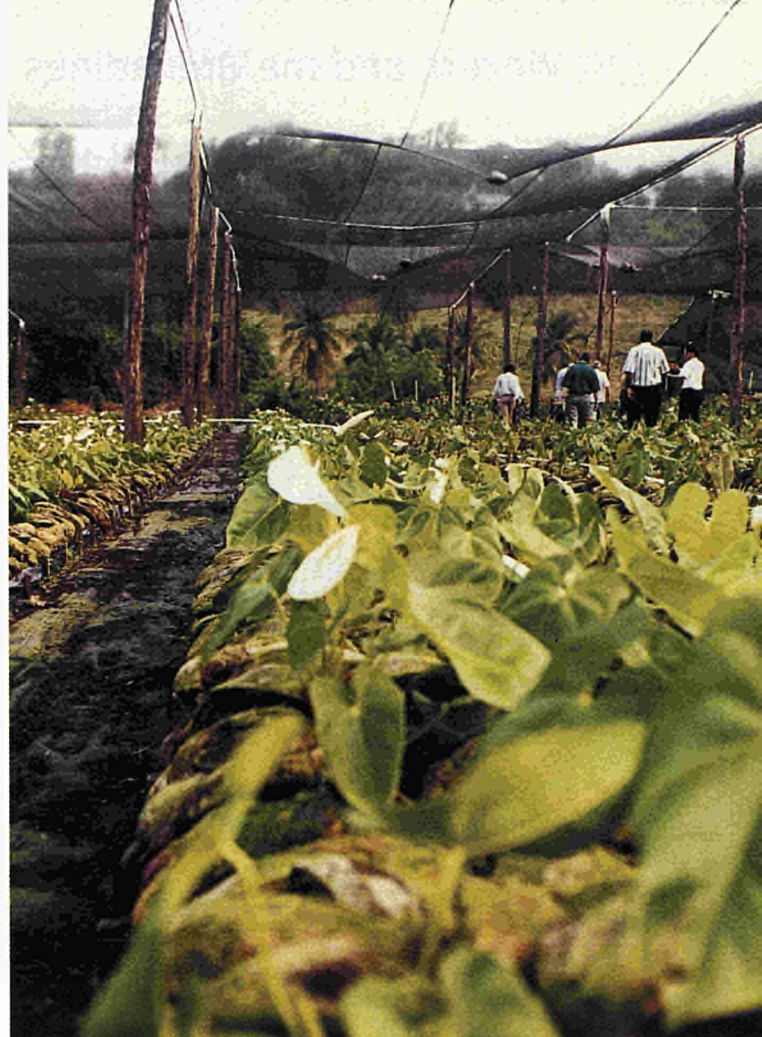
Comments from a leading UK supermarket seem to confirm that its customers are happy with the Windward banana. A spokesperson told us: “since we labelled the product indicating the different source of origin, Caribbean or Central American, sales have moved heavily in favour of the Caribbean product.”

Promoting local produce

Other niches, such as arrowroot, are being pursued. Once a leading producer of this root crop, the country wants to revive production, which peaked in the 1940s when it was an ingredient in salad sauces. It was also used to give a glossy effect to paper. The country was then unable to meet demand and cheaper alternatives, like cornstarch, were used. However, the use of arrowroot, which thickens at a low temperature, continues in products like baby food, cakes and gravies. It is also sold in health food stores.

The country is doing its best to promote other locally processed food in a “Natural Vincy” campaign. Simeon Greene says the ministry of agriculture wants cruise ships, the yachting fraternity and hotels to use more local produce, but he realises that this depends on quality supplies, delivered on time and at the right price. He says the country has high hopes from an EU pledge – on the table since October 1999 under the Stabex scheme – to help diversify its agriculture.

Greater fish exports are projected, although at the moment the country falls short of requirements to export to the EU, mainly because of the absence of a competent authority to deal with sanitary and health standards. Also the country does not have an official laboratory.



Flowers growing at “Hadley’s Blooms”, St Vincent and the Grenadines

Black sands, coral sands and waste disposal

Despite 9/11 there is enthusiasm about tourism. The sector currently accounts for 10 to 12 per cent of GDP. There are a small number of beachside properties offering very good value on mainland St Vincent, but currently no big hotels. “I would like to give infrastructure help to small hotels,” says tourism minister, Rene Baptiste. She adds: “If black sand sells Hawaii and the Canaries, why not St Vincent?”

Tourism expenditure climbed from 200 million Eastern Caribbean dollars in 2000 to 217 million in 2001. The total number of arrivals, not unexpectedly, went down slightly last year. Sea arrivals went up by around four per cent – an increase attributable to the yachting sector which climbed by more than 20 per cent. The country wants to lure more cruise ships. Despite its mountainous natural beauty, mainland St Vincent only sees one or two per fortnight compared with the three or four a day berthing in neighbouring St Lucia. A lot of the business outlets at the new cruise terminal at the port in the capital, Kingstown, remain empty.

The number of tourists on the mainland is relatively small despite the attractiveness of the capital. It has interesting archways, colourful street markets and a newly constructed covered market. The buildings merge the past: Portuguese, British and East Indian and the vibrant present. Kingstown has been recently cleaned up and some of the squatters on the streets have been “sensitively relocated”, government officials told us.

Most visitors, however, head straight for the turquoise waters and coral sands of the Grenadines on a multitude of sailing vessels. Bequia is an hour’s ferry hop from St Vincent and has a few “boutique” hotels. But the island has an evident solid waste disposal problem. The path from the port to the pristine stretch of white sand of “Princess Margaret” beach – where there could be



Bequia, Grenadines



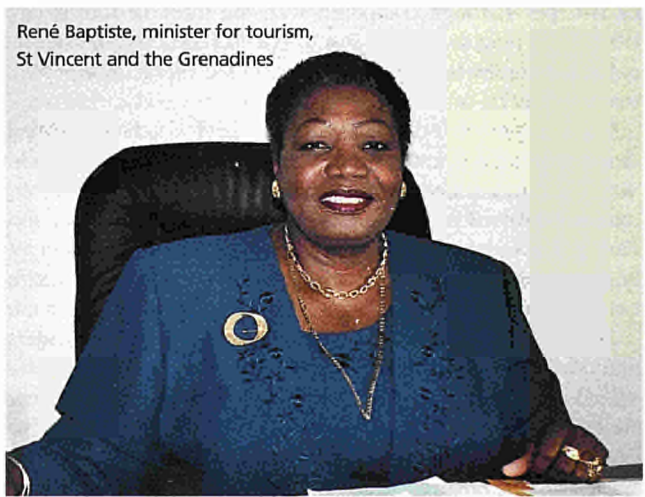
Above: Parliament building, Kingstown. Constitutional change afoot?
Below: old sugar mill, Penistone, St Vincent and the Grenadines

future development – is litter-strewn. The European Commission's head of delegation in Barbados and the Eastern Caribbean, John Caloghirou, says that the EU is to pledge funds for a waste management scheme, providing landfills in Canouan, Bequia and Union islands, the main populated islands in the Grenadines.

Rene Baptiste says various events and festivals on the country's calendar have pulling power, including a blues festival, sailing regattas, fishing activities, Carnival and international cricket matches. There are a lot of eco-tourism possibilities from waterfalls, the Soufriere volcano and a small Carib community.

Looking for direct investment

Possibilities for direct investment will also be high on the committee's agenda. Leroy Rose, head of the Chamber of Industry and Commerce, says a growing number of people are



René Baptiste, minister for tourism,
St Vincent and the Grenadines

returning to their native country from the Diaspora and are investing money.

Like other islands of the Organisation of Eastern Caribbean States (OECS)*, the country is opening up its telecommunications sector to competition. It has high hopes too that call centres will employ 3,000 people by 2004. Growth in the financial services sector is predicted now that the country has been removed from the Organisation for Economic Cooperation and Development's list of "uncooperative tax havens" and is making progress towards what the Prime Minister calls "a clean, successful offshore finance sector".

Trafficking, AIDS and redundancy

Economic recovery should provide more capital to help heal some of the country's social problems. Drugs trafficking and addiction are serious concerns. Rose says that cocaine passes through from South America in various directions. With its small remote islands and busy boat traffic, St Vincent and the Grenadines is an ideal "drop off" place. The island also has one of the highest rates of infection of AIDS and HIV in the region with 63 people per 1,000 infected with HIV and 39 per 1,000 with AIDs.

The government is currently working with the EU on social safety nets for former banana farmers, who have dropped out of the industry or been made redundant. Laura Anthony Browne emphasises that "redundancy in the sector has a multiple effect" as breadwinners may have any number of dependants.

An accent on education

In a recent speech, Gonsalves said the government could justifiably claim to be the "education government". Spanish and French have been introduced at primary level. Fidelma O'Shaughnessy, economic attaché in the European Commission delegation, drew attention to an EU project to repair all 72 of the country's primary and infant schools. Other EU funds are going to assist the community college, an adult literacy project, and to train student teachers in childcare development. More funds are expected to go to secondary schools under the 9th European Development Fund (EDF).

Public enterprise?

For the past 15 years the fixed parity with the dollar has enforced fiscal discipline, explains Joel Huggins of the OECS countries: "Governments do not have the normal scope to experiment with fiscal measures which might make them politically popular". He says the problems facing St Vincent and the Grenadines are not dissimilar to those of Ireland – a largely agricultural economy with a large body of reasonably educated people which has made a highly successful transition to an economy driven by the services sector. But as with many Caribbean islands the size of the economy would always be an issue.

Huggins's committee will also look at the role of the public sector. Blanket liberalisation was not necessarily the answer. If a state enterprise such as electricity was well run, with good quality distribution, why sell it? Huggins acknowledges that there has not been a good history of correlation between performance by enterprises and government ownership in the Caribbean region. But, looking ahead, he says there is a growing recognition that "governments in the islands need to be more active and take the lead in risk taking, enterprise development and pioneering new areas of economic activity and development to get things moving". ■

* OECS members: Antigua and Barbuda, Dominica, Grenada, Montserrat, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines.
Associate members: British Virgin Islands, Anguilla.

Our style is to go to the people and consult them

an interview with Dr Ralph Gonsalves, Prime Minister of St Vincent and the Grenadines

Ralph Gonsalves was elected Prime Minister of St Vincent and the Grenadines on 28 March last year. His Unity Labour Party won twelve seats to the opposition's three, ending a 17-year run of New Democratic Party (NDP) administration. Prior to his election, Dr Gonsalves was a barrister in the Eastern Caribbean Supreme Court. He has also lectured at several of the region's universities and is an author of note.

What are your government's priorities?

We are trying to structure governance, whilst deepening good governance and at the same time addressing the central issues outside it: stabilisation, economic recovery, renewal, education, production, poverty eradication and of course, a comprehensive policy in culture, sports and the arts, health, social security and housing.

Right now the House is debating a motion on constitutional reform. A select committee has been set up in Parliament to work out the terms of reference for the Constitutional Reform Commission. We are doing everything through Parliament rather than the executive. This is a departure. A number of other countries in the region have undertaken constitutional reform and have only come to Parliament when it was necessary for them to do so.

What changes are you seeking?

We want to change the electoral system. We have a first past the post system. It has tended to be very unfair to many citizens and can be subversive of the principle of representative democracy. How many times a year do you have the situation where the party with the minority of the votes has a majority of the seats?

We can marry proportional representation and a first past the post system – as in Germany – which gives you constituency representation, strong central government and fairer representation of people's intentions.

Are you going to consider republicanism, as Barbados is doing?

That will be up for debate. We are not going to go for an executive presidency. If we do go for republicanism, it will



Poster from the last election

_St Vincent and the Grenadines



Prime Minister of St Vincent and the Grenadines, Ralph Gonsalves

be a head of state who is ceremonial, much the same as the governor-general represents Her Majesty.

I made a speech in Barbados at a conference on constitutional reform in the Caribbean. One of the issues I addressed was the awesome nature of prime ministerial power and why it should be reduced. People rarely hear a prime minister speak in those terms because prime ministers tend to want more power.

It isn't merely a case of saying take away five or six of twenty or so powers vested in the prime minister. It doesn't work like that. It is an organic whole that is more than a summation of the parts. You have to have a

process of decentralisation of power and authority and greater consensual management. People think that this means weak management. It's not the case at all.

Is concentration of power a feature of small countries?

It is also the case in the United Kingdom, but small size does exacerbate prime ministerial power and many of the restraining features in the UK do not necessarily exist here. For instance a "live" public opinion, a sizeable back bench which can influence some control over the conduct of a prime minister. Here, practically everybody who is in the majority party in the parliament is in the cabinet.

Why are such changes necessary when you have a democratic legacy?

The constitution contains the strong features of liberal democracy, yet we need to review the constitution because the existing one, in my view, does not adequately fit the times and the peoples. In 1979, on independence, you didn't have the extent of information technology, the level of education, a certain "liveliness" among the people in relation to democratic and human rights issues. You need to have structures for greater involvement of people. You are not dealing anymore with the sugar cane worker or arrowroot digger; you are dealing with those educated in secondary schools. They are younger and more organised.

The population shifts are rural to the city. So those changes have caused people to demand a greater involvement in government. We have set about a process of involving them through a National Economic and Social Development Council, a body consisting of all major interest groups in society. It has been given ownership of our poverty eradication strategy.

We also have a tripartite on the economy with three state, three private sector and three labour movement representatives. It is discussing wages, prices, productivity, employment and investment. Our style is to go to the people and consult them.

You have a high unemployment figure, estimated at around 22 percent. How can this be brought down?

We have in fact so far created about 1,000 jobs since we took office. The areas we are looking at are: tourism and information technology, services and more agricultural diversification.

We have devised a Youth Empowerment Service. Young people are given a stipend in return for civic service, such as environmental projects or working with children and the elderly. As an incentive, individuals and business entities that contribute to this programme will get some financial rebate.

We have employed a number of persons in the one government call-centre set-up. We are training upwards of 400 persons. We had a 60 percent stake at first, now 100. One of the reasons we had difficulties is that the telecommunications company, Cable and Wireless has a monopoly, and the cost of running of the lines was prohibitive and so we set up a company ourselves. There was initially a disjuncture at a technical level. What is interesting is that the battle with Cable and Wireless has now caused them to reduce their prices to us.

Which areas of the economy can be stimulated? Is the absence of an international airport a hindrance to tourism development?

The issue of air access is wider than constructing an international airport. In the short term we have signed a pre-clearance hub agreement with St Lucia at Hewanorra international airport. We're also looking at a hub arrangement in Barbados.

We are promoting tourism in the region too, thanks to special arrangements with carriers, which come to neighbouring countries. I want to address air access away from the issue of an international airport. You may have an international airport, but not much improved air access.

There are prospects for enhancement of "nature" tourism. We are doing a little better with cruise ships, even though when we came into office cruise ships' destination schedules were set three years in advance. We have been trying to woo them.

Does the banana industry need to be privatised further as in St Lucia?

The privatisation of bananas in St Lucia has not necessarily led to its commercialisation. What we have done is to



Down and out in Kingstown, St Vincent and the Grenadines

small operators. A speedboat used for fishing is also used for trafficking. St Lucian boats land here and ours there. We are co-operating with the St Lucian government too.

Are you worried that St Vincent and the Grenadines is on the OECD offshore financial services black list?'

We have signed a letter of commitment relating to the issues of transparency and sharing of tax information. The matter of transparency has largely been addressed by legislation such as the Money Laundering Prevention Act. We have set up a Financial Intelligence Unit. We will set about having tax treaties and we want to strengthen our transparency by looking at some aspects of the confidentiality laws we have inherited.

We believe that we can work with the OECD to sort out these matters to our mutual satisfaction. The other remaining blacklist of the Financial Action Task Force (FATF) largely addresses money laundering. An assessment was recently made of the 25 criteria the FATF uses in its country assessments. We have made progress on 22 of these.

What is your reaction to charges by the opposition of victimisation of their party members?

Apparently Mr Eustace would like to have people who are not doing their jobs kept on. We had to make cuts. The human rights association, trade unions and media have not said anything. Presumably it is because there is no political victimisation. If there is any, simply send me the lists to let me see. The policy of this government is not to victimise anyone on the basis of political affiliation. It's a way an opposition politician seeks to hold together his tribe - the rank and file.

How would you like to see European Union support develop?

One of the major problems is the pace of disbursement. We have over 100 million dollars in funds locked up and it's difficult to get it out. We have a particular project now that is a combination of funding from the regional and national indicative programmes, and we have had everything in place since May last year - the learning resource centre - and we still can't get an answer from Brussels.

Post-Cotonou, the focus is education. We are spending a lot of our resources here: new technology for schools, and the introduction of French and Spanish. Shortly after we got in, with the assistance of the EU, we were able to upgrade facilities in all of our 72 primary and secondary schools. This was a remarkable effort of cooperation between us and the EU.

We are hoping that some of the monies not allocated can be transferred to the banana industry to deal with some of the debt problems.

In September talks will begin on a regional economic partnership agreement with the EU. Do you have any objective for the talks?

We originally felt that there was no sense in this regional division and continue to be worried that resources might be diverted to other, poorer ACP areas. We will emphasise the issue of vulnerability to external shock and the fact that entire economies can be almost wiped out overnight. ■

1. Following this interview, Dr Gonsalves announced at a press conference on 5 March that St Vincent had been taken off the OECD's list, but was not yet "out of the woods" with the Financial Action Task Force.



ULP candidates at the last election.
The government wants constitutional change

take the position that in a transitional period, the government has to be very actively involved.

The problem is that the price paid to farmers is more than really should be paid to them, given the costs of administering bananas and the industry as a whole. We have actually been subsidising the industry. But we are restructuring the process and have come a long way to cutting costs of transportation and labour in relation to handling.

But although the market system is problematic, bananas remain our principal export crop and a major contributor of sustainable development in rural areas. We have to diversify our agriculture around bananas, rather than away from bananas.

Irrigation seems to have been crucial to cushioning a part of your production during last year's drought.

We have actually moved the irrigation unit from the central water authority. Putting it there was based on the assumption that irrigation is about water. But irrigation is more than this. There are certain agronomic linkages and practices, beyond the technical delivery of water, so this is now with the ministry of agriculture. We're hoping to set up a separate irrigation authority.

Are there any crops with diversification potential?

We're trying to go into arrowroot. There's a demand for the starch. The previous government allowed the industry to slip so badly that we're basically starting off on the ground. We need some investment. We're trying to export fruits and vegetables to the northern Caribbean. Also a sizeable order was recently made by the British Virgin Islands for fish.

St Vincent and the Grenadines is associated with the growing of high quality marijuana and is known as a trafficking point for "harder" narcotics. Is enough being done to control this problem?

We cooperate fully with the British and American authorities for the interdiction of marijuana and drug traffickers generally. The United States has extensive powers, under the "shipriders agreement", to enter our territorial waters and apprehend persons they suspect of trafficking. The United States has not been as vigilant and active in this as one would like. Our coastguard facilities are not what they ought to be. We are strengthening regional policing. A fair amount of marijuana was sold in the past, and still is, to Barbados.

My impression is by and large that trafficking is done by

The economy needs to be managed better

An interview with the opposition leader, Arnhim Eustace

Arnhim Eustace is leader of the New Democratic Party (NDP), which was defeated in the elections in March last year. He was briefly the country's prime minister when the long-serving premier, Sir James Mitchell, stepped down in October 2000. An economist by training, Mr Eustace has spent all his life in public service. He is particularly knowledgeable about the banana industry and was formerly chairman of the Windward Islands Banana Development and Export Company.

Why did your party lose the last election?

Our party was in office for 17 years. I think that a call for change was the main reason. Anyone 35 years and under - the majority of our voting population - had not known anything other than the NDP.

How do you rate the government's performance one year on?

In my opinion, there has been too much victimisation of supporters of our party. In addition, I do not think that the government has a thorough grasp of how to manage finances and the economy. Too much time has been spent talking and even where policies have been outlined, they have not been implemented with any consistency.

On the one hand the government has frozen wages, but on the other they have increased the number of posts in the public service at a high level. They have also asked parliamentarians to take a five per cent cut in their salaries.

Is it doing enough to bring unemployment down?

The government has implemented what they call a Youth Empowerment Service where they have some young peo-

ple to work in various departments of government. In terms of permanent jobs, a lot of them were to come from the call centres and these have not done well at all.

I signed the call centre agreement just before the elections. We had given majority ownership to those who knew about this business. Our business is employment. We gave them 60 per cent ownership and we took 40 per cent and we were even prepared to dispose of our 40 per cent. What they did was to break off those relations and form a company one hundred per cent owned by the government, which I think is nonsense. This was a serious mistake and the basis of the current troubles.



Arnhim Eustace

What would your party do to reduce unemployment?

I believe that we would have got much more employment out of the call centres if they had gone along our route. Let's face it, we have difficulty with our bananas, there are difficulties with the offshore sector and with tourism because of general recession. I saw the quickest route to creating jobs as services and call centres. We don't have the technology, know-how or experience to handle something like that. I still don't think that there's sufficient focus by the government on the economy. On bananas, some changes are being made, but I think that people are too much in the dark.

Do you think further restructuring of the banana industry is necessary? For example, privatisation of banana companies, as in the case of St Lucia.

Privatisation in St Lucia has brought a new set of problems. You have four different companies and do not have the economies of scale for that to remain so. The whole purpose of having a Windward Islands industry is that from the very outset it was recognised that to get economies of scale we had to operate together.



Will the government become short of cash for public projects?
Renovation underway to convert a building in Kingstown into a museum



Messing about on boats, Bequia, Grenadines. A future in yachting?

What is the future for the banana industry? Irrigation seems to have been a lifeline.

If we can't deal with the problem of yields and quality, we may as well come out of the industry. We are competing with Latin American countries whose cost of production is half of ours, and when the market is fully liberalised in 2006 it will be very difficult unless wages are much lower. We must raise our yield significantly if we are going to have any chance of surviving in a liberalised market.

Every week, there is something about bananas in parliament. We do not feel that the government has come clean with the population concerning the number of farmers who are likely to remain in the industry. If you are looking at yields - we have an average now of eight tons an acre - at five tons an acre a lot of people will have to come out of bananas. I have 10 acres myself and they don't make any money, and I have good quality irrigated ones.

There is also an inputs problem. I went to get some yesterday and got half of what I wanted. Given the more commercialised nature of the exercise now, a lot of farmers don't have the ready cash to buy the inputs. But it's clear to me that there are a number of farmers whose yields are such that if they are given the necessary assistance, we could have a streamlined industry that could work.

Do other sectors of the economy have brighter prospects?

The fastest growing sector of tourism is yachting. We have had a pretty good performance up to December last year. We had a fiasco, when new fees were introduced on 1 January. A lot of yachts left the Grenadines early in January - at the height of the season. Rates were applied in some areas where there were none previously. The government has agreed to withdraw it for a while, I think. But all this sends a bad signal.

We can compete in the services sector. I do not think we have much chance with agriculture and significant improvements are needed in the banana industry. We can hold our own in tourism. The value added from cruise tourism is not very high; it is much more in the yachting sector and hotels.

How are you attracting voters back to the NDP?

We have been concentrating on the re-organisation of the party. I think the government has helped us. I don't think that they are in any way as popular as they were last year.

We operated with surplus finances every year. It was critical to have finances. The donor community is funding fewer and fewer utility projects and the government has committed itself, but does not have too much expenditure. The

biggest programme last year, implemented with European Union assistance, was renovation of all 72 schools in the country. I still have my reservations about the capacity of the government to implement this. I am awaiting the EU's evaluation.

Are you a big supporter of regional integration?

Yes, I don't think that we can go very far without it. But I'm sceptical about some of the plans. A few weeks ago there was a bill in parliament for nationals from the Organisation of Eastern Caribbean States (OECS) to enter St Vincent without a passport. What has happened is that other countries disagreed and there is now a change in the legislation saying that you can come in for six months. This defeats the purpose of the bill. Once freedom of movement is reciprocal, I support it.

The movement of capital and establishment of a regional stock market are also aims. As for a stock market, we have sustainability problems because of the size of the enterprises. A lot of moving of funds across borders takes place now, but these areas of integration will also take a lot more time.

Are you worried about the effects of global liberalisation?

Everyone is concerned about this. A lot of it is being forced upon us. There are certain things that are particular to us and again relate to the government's finances. As trade becomes more liberalised, tariffs go down. We are very dependent on tariffs as a source of income: border taxes, consumption taxes, import duties etc. The greater proportion of government income comes from this.

On the other hand, to encourage investment, corporation and income tax, the second largest source of government revenue are also being pushed down. The result is that there will come a time when the entire tax system has to be reviewed to raise finances for government expenditure. ■



Irrigation Management Unit

Irrigation bears fruit

The European Union's market in bananas is expected to be fully liberalised in 2008. So farmers in St Vincent and the Grenadines have to improve the quality and quantity of their fruit to enable them to compete. EU-funded irrigation has been playing a very significant part in this process.

An extensive irrigation scheme is just one way that EU funds are contributing to a more competitive, efficiently run industry in the country. Others are inland reception centres and the upgrading of the Windward Highway to transport the fruit more quickly and less hazardously. Help has also been pledged to improve the standard of packaging sheds and to liquidate the debt of the St Vincent and Grenadines' Banana Growers' Association (SVBGA).

In March 1998 a scheme to irrigate an eventual 1,800 acres got underway with a €11.4 million grant under the former Stabex scheme, which offset losses on fresh banana exports. When we visited in March this year €2.8 m was left to bring more farms into the scheme. Irrigation was one of the factors that cushioned the effects of drought during the dry season from December to June last year. But production in St Lucia still dropped by 51 per cent compared with the previous year, and in St Vincent and the Grenadines by 28 per cent.

So far the scheme has embraced farms largely on the Windward side of the island. A team is managing about six schemes in this area, with a potential area of about 1,100 acres.

On the Leeward side, work has not yet started on two areas of potentially 150 and 50 acres.

Drip irrigation involves harnessing the water upstream in a mini-dam, ensuring it enters fields at the right pressure and filtering it. A sprinkler system has been installed in one scheme, in Grand Sable. Farmers sign contracts for installation of equipment and for a year's use of water and of the system. There is an 18 month grace period before repayments begin, explains Leroy Jackson, a technician in the Irrigation Management Unit (IMU). The cost works out at around 1.2 cents per pound of fruit until repayment is complete.

Well-irrigated land means that banana farmers have turned to growing other crops, such as peanuts, beans, sweet potatoes and cabbages. But the contract specifies no growing of illegal crops! Maps pinned to the walls of the management unit's offices highlight the farms that have subscribed to the scheme. Extra funds would of course mean that more areas could be irrigated. Keith Henderson of the IMU says that further underground studies are needed to pinpoint additional water reserves.

Green and moist

Lenford Samson is a farmer in Langley Park (St Vincent). He has noticed a marked difference in his crops. "Before, plants were yellow and droopy and bananas remained on the tree too long," he says. Using both irrigation and the new high yield method of production, his plants now bear fruit after just seven and a half months instead of the traditional nine. And they are green and moist. Keith Henderson says that the high yield method introduced from Belize that involves more plants per acre has also boosted production.

There has been a turnaround recently and, instead of more farmers withdrawing, some have actually gone back into production. Lenford Samson says that he would cultivate more bananas if he had additional land, "as long as they keep on wanting our bananas", he adds.

Conrad Simon of the IMU says that in the wake of legislation on land distribution some time ago, many farmers were limited to small plots of between two and three acres. Lenford Samson says: "My concern is that if the dry season persists for a long period, the water pressure is low." Another river, due to be linked into the system in May, will solve the Langley Park pressure problem.

Cauldric Browne, who also works in the IMU, says that a combination of irrigation, the high yield method and proper inputs have led to a steady increase in crop yield, with the first crop producing 15 tonnes, the second 25 tonnes, and the third 30 tonnes an acre. He admits, however, that his technical expertise has given him an edge compared with some other farmers.

Irrigation leads to diversification

Cauldric Browne is also inter-cropping – growing sweet potatoes, peanuts and arrowroot – taking on board the government's message not to put all his eggs in one basket.

Jacqueline Simmons, who has a small banana farm in the Rabacca area, says that irrigation has enabled her to cultivate other crops – mainly for the local market – alongside bananas. "It's hard now in bananas. There's a lot of work and inputs are too expensive. I only stay in because I've borrowed money for irrigation".

The unit confirms that irrigation alone has meant farmers are achieving fantastic yield increases – from three tonnes to 18 tonnes an acre – after just two years with traditional planting. With high-density planting, the potential is for 26 tonnes per acre for the first plant crop. With one and a half crops per year now possible, the annual yield per acre can top 40 tonnes.

No slowing down

The ministry of agriculture's plan is to increase annual banana production in St Vincent from 38,000 metric tonnes to 60,000 metric tonnes between 2002 and 2003. This is heavily dependent on irrigation systems. Irrigation also means that farmers are producing high quality fruits for export and are meeting the standards of the big five UK supermarkets, which now buy the bulk of the Windwards fruit.

The IMU summarises the advantages of irrigation as:

- higher volumes, helping the SVBGA meet supermarket requirements;
- better crop-timing using irrigation, ensuring that the highest



production can be timed to coincide with market demand in order to achieve the best prices;

- higher yields to give farmers more cash income to buy inputs – and further benefits to the SVBGA from the sale of inputs;
- higher "consistency scores", leading to higher prices for better quality bananas.

Credits and inputs play a part too. "There should be no slowing down of the National Irrigation Programme if St Vincent is going to survive in the production of competitive agricultural crops", says the team. "The full support of the government, the ministry of agriculture and the SVBGA is needed for this to happen – as well as the farmers who have already experienced the benefits of irrigation on their farms".

Shortage of inputs

The team stresses the need for proper inputs. Water cannot be considered in isolation from other inputs. Frequently during our trip we met farmers who bemoaned the lack of inputs due to lack of funds or credit problems. This meant that they did not obtain maximum yield increases from their irrigation. Labour productivity is also another area where there is room for improvement.

Plans are afoot to start growing organic fruit, as in Grenada where organic methods have been re-introduced after a long break. Keith Henderson says Britain's Soil Association intends to visit St Vincent to analyse land quality for organic farming. Neighbouring Grenada is pushing ahead with organic farming after more traditional farming virtually ceased. The resulting advantage is that land has been left fallow for about three years.

The Windward Highway

An upgrading of the Windward Highway – the main route for transporting bananas to port in the capital, Kingstown – is planned under the EU's Special Framework of Assistance (SFA) for the banana industry. There are also plans to build two additional inland collection centres with SFA money. The one already constructed enables small trucks to offload their bananas so that they can be taken by larger trucks to the ports. This relieves congestion on the roads and at the port.

An improved Windward Highway will also mean a less bumpy and bruising ride for bananas taken to Kingstown. As with irrigation, investment in the highway is an investment in future diversification of the economy into areas like tourism and small business development. ■



Director, Debra Dalrymple, in the new EU-funded Marion House, Kingstown.

Marion House: Tackling social ills

When fire gutted the building of one of St Vincent and the Grenadines' leading non governmental organisations (NGOs) in 1998, many seeking counselling on the island risked losing their first port of call. The European Union (EU) pledged funds to re-build on the site near the capital, Kingstown. The new facility was handed over on 11 March 2002, providing more space for its vital services.

Construction was financed with a 2 million Eastern Caribbean (EC) dollar grant from the EU's Stabex funds.

The country's current social problems such as high youth unemployment and drug taking may to some extent be related to the decline of the banana industry. The social fallout has been high. Many banana farmers have not found alternative employment and reduced capital in the country has caused unemployment and disillusionment far beyond the banana farm.

Skills for the unemployed

"Counselling is a relatively new idea in the Caribbean", says the energetic Director of Marion House, Debra Dalrymple. Core programmes assist teenage mothers and make young people employable through new skills.

The Youth Assistance Project is designed for those 15-19 year olds faced with unemployment because they lack formal education. It is funded by a separate Stabex 1994 budget of €500,000 over a five-year period, which runs out in July 2003. Canada and UNICEF also contribute. This funding covers an identical Marion House scheme in Georgetown, the country's second largest town.

Ms Dalrymple says that basic communication and literacy skills are taught. Additional support is given to those with learning disabilities. "Life skills" – such as conflict resolution, family relationships and assertiveness – are equally important.

Students do not pay fees but might be expected to do Community service such as working in a residential care home, a pre-school establishment or on river or beach clean-up schemes.

After six months, a "world of work" scheme enables them to get training in areas like bodywork/mechanics, cosmetology and electrical repair. Courses are advertised in newspapers to reach a wide number of students. In Georgetown, 95 young people are on the waiting list and 69 in

Kingstown. About 30 students can be admitted to each course annually.

If funds can be raised, a fully equipped computer room is planned to help train in informatics and link up to internet. The government has pinpointed informatics as one of the areas for employment growth.

Another idea is to cultivate a small garden where students can practice horticulture, also in keeping with the country's plans to diversify agriculture.

To raise cash, a "Friends of Marion House" scheme is being mooted. By paying 10-20 EC dollars a month, "friends" will be able to use all the services at the new building.

Many graduates find jobs. Ms Dalrymple says that a study is being done to track students. "One young man recently found a place on the British army's recruitment programme for the Caribbean," says Ms Dalrymple. "And a young lady was a top graduate of a secretarial school. She gained 'O' levels thanks to Marion House."

Alongside its core schedule, Marion House offers general counselling sessions for alcohol and drug addiction and domestic violence. Parenting skills are also taught. Ms Dalrymple says that a "token single man" always attends this course.

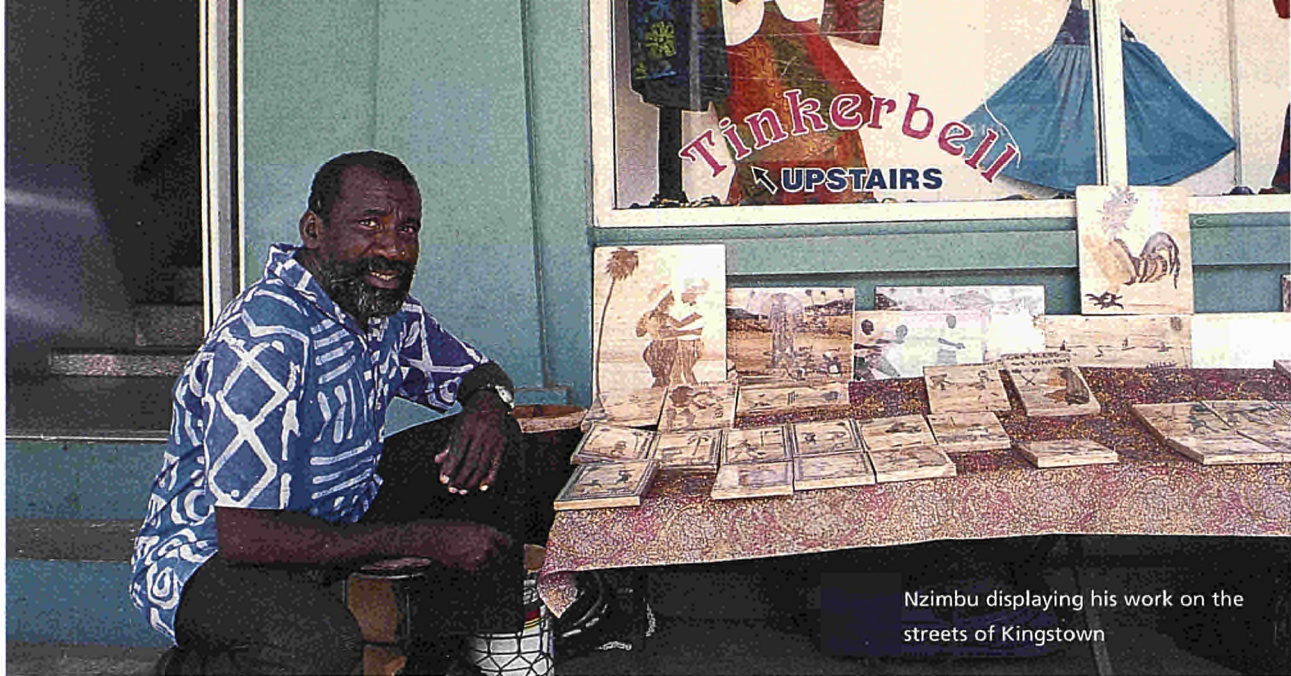
A playroom with equipment provided by Florida State University has been set up to so that children can use play to describe their abuse, something of a closet problem in the country.

The centre has six permanent staff with volunteers from the United Nations and the US Peace Corps.

The original plan was to have a daycare centre on the ground floor entirely devoted to the rehabilitation of drug addicts, offering specific counselling services. Instead, the ground floor will now be rented out to raise money for the building's upkeep, possibly to a government department.

Laura Anthony Browne, Director of Planning and the EU's National Authorising Officer (NAO), explains the prevalence of narcotic use on the island. "High quality marijuana is easy to grow in the rugged terrain, and disillusioned youths with no employment are enticed into growing weed."

The use of crack cocaine is beginning to surface, as St Vincent and the Grenadines is on the trafficking route from South America. Debra Dalrymple says, unfortunately, the success rate of the current drugs treatment counselling is low: "Relapse is common." ■



Nzimbu displaying his work on the streets of Kingstown

Talented craftspeople seek markets

There is some very innovative craftwork in St Vincent and the Grenadines, but it lacks a showcase. All the craftspeople we spoke with had initiative and personal drive but lacked the markets they deserve.

Vonnie Roudette voices the disappointment of all, saying it is difficult to get others to consider arts and crafts as a serious economic prospect. Yet when she attends craft fairs, her original, well-made pieces are snapped up. "I recently went to a craft fair in Bequia (Grenadines) and my booth was so popular that I made 1,200 EC dollars in the first hour", she says enthusiastically.

Her Fibreworks factory in Penistone, a former sugar-growing area on the Leeward side of the island, employs 20 people. Much of the money invested in the company came from her own pocket.

She says it is difficult to get investors and government or international development agencies to see craftwork and arts as worthwhile. She has a UNESCO grant for looms. She needs money for training in particular. It's a vicious circle: she has to teach and do consultancy to raise money for the business, reducing her time to train and market Fibreworks' products.

Her original idea was to "create employment using local resources and produce well-designed marketable handicrafts." She sells to craft shops in Bequia and Barbados and in St Vincent, and has teamed up with local agro-processor, Villamar, making small gift containers and baskets for preserves, popular around Christmas.

"Until there is support at the institutional level, we will go nowhere," says a despondent Ms Roudette. She says the education system is partly to blame for failing to teach art seriously.

As well as taking care of the sales side, she is van driver and general dogsbody for her business, also finding time to run SVG Create, an NGO trying to promote the country's craftspeople and artists.

She is keen to give more commitment to workers and provide training for young people such as employee Sherlin Edwards, who "shows

a lot of talent". Léon Alexander, a former farmer, has been with Fibreworks for five years. When we visited, he was putting the finishing touches to carved coconut shells commissioned by a hotel for containers.

Nzimbu Dingane Browne also makes use of discarded banana plants in his artwork. His pictures of scenes from St Vincent and the Grenadines are displayed under one of Kingstown's many archways every Friday. When we spoke to him Nzimbu was displaying a new picture of Joseph Chatoyer, the Carib Chief who took on the English in the 18th century and who was recently proclaimed the country's first ever "National Hero", his life celebrated on Heroes' Day, 14 March.

Exquisite work

Randy B. Clarke does exquisite work to order out of natural local materials like conche shells, mahogany and driftwood, but he is not as visible as he would like. He has recently made a piece for Mustique's (Grenadines) world famous hotel, Cotton House.

He misses out because only one or two cruiseships currently berth in mainland St Vincent per fortnight, compared with three or four a day in neighbouring St Lucia.

Ras Aboo also has a shop in the new Kingstown market where he makes and sells leather sandals and small jewellery out of coconut kernels and other natural products. But business for his exquisitely made designs does not seem to be on his doorstep either. ■



Fibreworks, Penistone: Vonnie Roudette (right) and Sherlin Edwards (left).



Ras Aboo (left) produces superior quality craftwork

St Vincent and the Grenadines



General Information

Area:	389 sq km (mainland St Vincent 344 sq km)
Population:	115,942 (est. 2001)
Population density:	298 (sq km)
Capital:	Kingstown
Other towns:	Kingstown (mainland), Grenadine islands include; Bequia, Mayreau, Union island, palm island, Mustique, Canouan.
Languages:	English, Patois
Make-up of population:	Black (66%), Mixed (19%), East Indian (6%) Carib Amerindian (2%)
Religion:	Anglican (47%), Methodist (28%), Roman Catholic (13%), Seven Day Adventist, Hindu, Protestant.

Political structure

Head of State:	Queen Elizabeth II, represented by Governor General, Sir Charles Atrobus
Prime Minister:	Dr Ralph Gonsalves since 28 March, 2001.
Form of government:	Bicameral Parliament consisting of the Senate (6 members) and the House of Assembly (15 elected representatives). Current composition: 12 Unity Labour party (ULP) and 3 New Democratic party (NDP).
Main political parties:	Unity Labour Party (ULP), New Democratic Party (NDP), National Reform Party (NRP), Peoples' Progressive Movement (PPM), Progressive Labour Party (PLP), United Peoples' Movement (UPM).

Economy

Currency:	Eastern Caribbean dollar: 1€ = 2.45 Eastern Caribbean dollars
GDP per capita:	US \$4692
Real GDP growth:	2.1% (2000 est., 4% 1999)
Main exports:	Bananas, dasheen, arrowroot, nutmeg, mace, coconuts
Main imports:	Foodstuffs, machinery, equipment, chemicals, fuels, minerals
Total external debt:	430 million EC (est. 2001)
Main trading partners - Exports:	Caricom, United Kingdom, United States
Main trading partners - imports:	USA, Caricom, United Kingdom
Value of exports:	53.7 million US dollars (est. 2000)
Value of imports:	185.6 million US dollars (est. 2000)
Balance of trade deficit:	-131.9 million US dollars (est. 2000)

Social Indicators

Life expectancy at birth:	Male 70.8 yrs (est. 2001) Female 74.34 yrs (est. 2001)
Population growth rate:	0.4% (est. 2001)
Infant mortality:	16.61/1000 (est. 2001)
Population with access to safe water:	89% (UNDP 2000)
Adult literacy:	96%
Unemployment:	22% (est. 1997)
Human development index rating:	0.738 (79th out of 174 countries: UNDP 2000)

Sources: St Vincent and the Grenadines' government statistics, Central Intelligence Agency, USA (CIA), European Commission, UNDP, Human Development Report 2000.



Austria
 Belgium
 Denmark
 Finland
 France
 Germany
 Greece
 Ireland
 Italy
 Luxembourg
 Netherlands
 Portugal
 Spain
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 United Kingdom
 France
 Territorial collectivities
 Mayotte

St Pierre and Miquelon
Overseas territories
 New Caledonia
 and dependencies
 French Polynesia
 French Southern and Antarctic
 territories
 Wallis and Futuna islands
Netherlands
Overseas countries
 Netherlands Antilles:
 Bonaire, Curaçao, St Martin,
 Saba, St Eustache
 Aruba
Denmark
Country having special
relations with Denmark
 Greenland

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

The European Union



The 78 ACP States*

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| Democratic Republic of Congo | Lesotho | St Vincent and the Grenadines | Zimbabwe |
| Djibouti | Liberia | Samoa | |
| Dominica | Madagascar | São Tomé and Príncipe | |

* Cuba was admitted as a new member of the ACP group in December 2000, but is not a signatory of the Cotonou Agreement.
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