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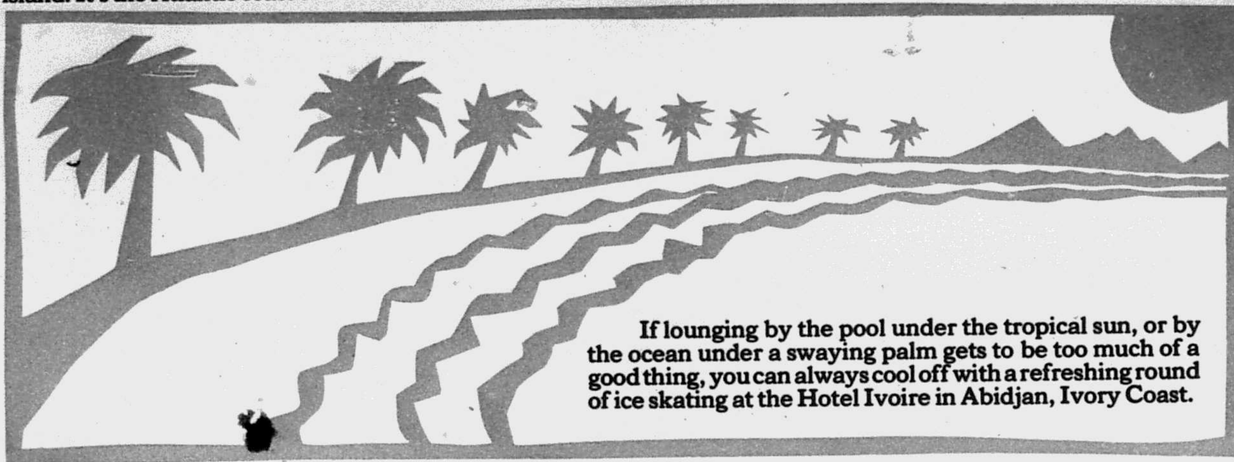

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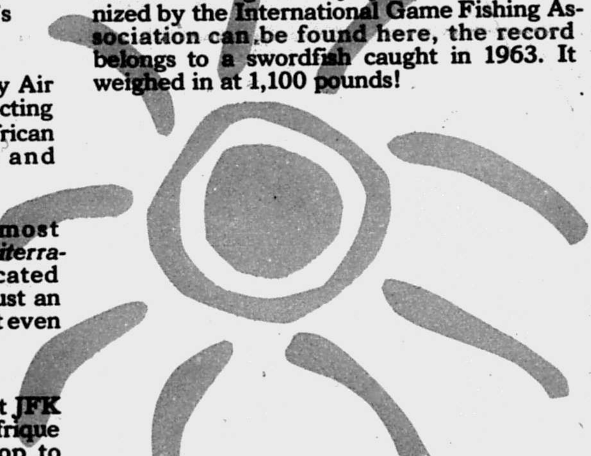

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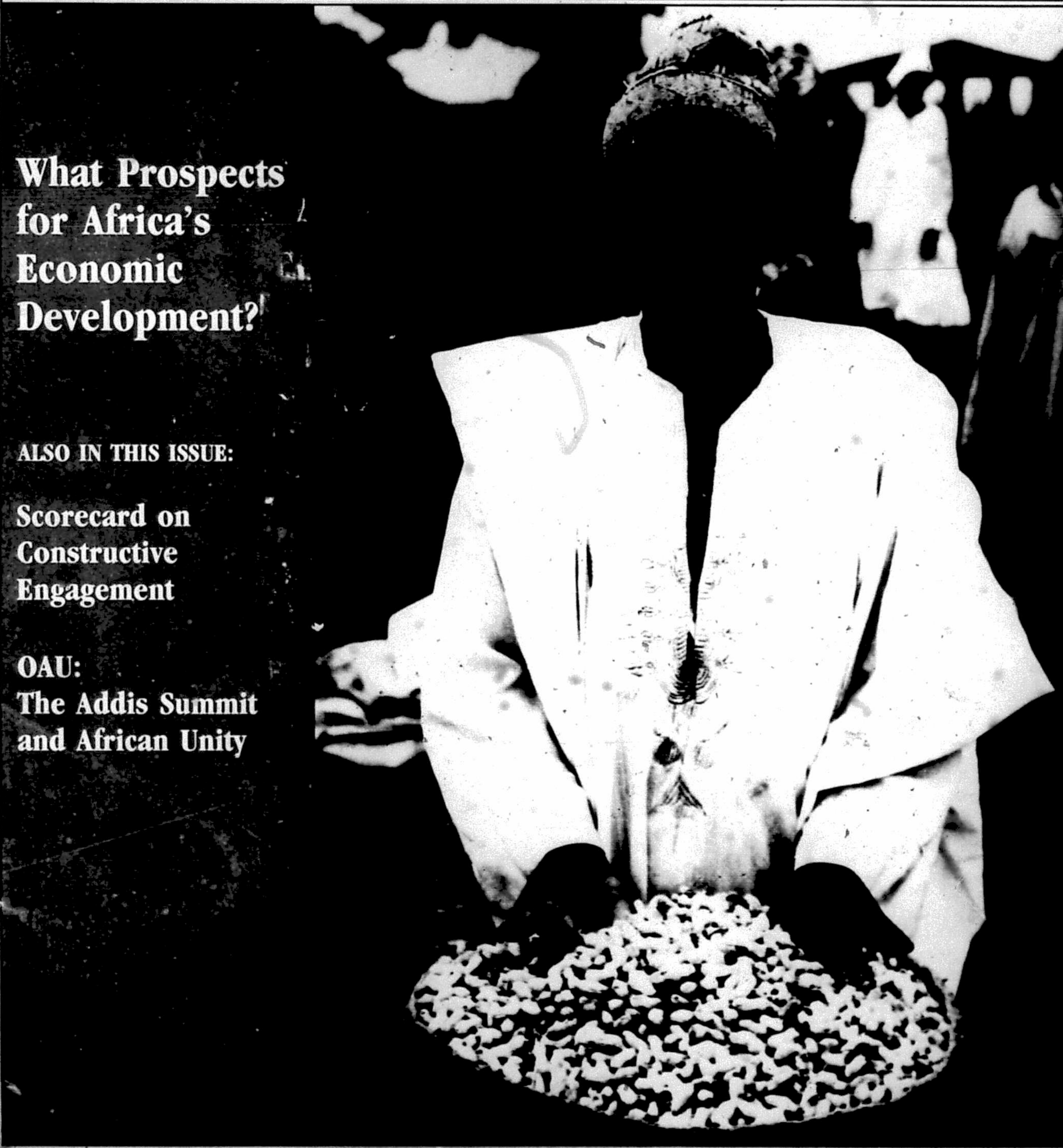

What Prospects for Africa's Economic Development?

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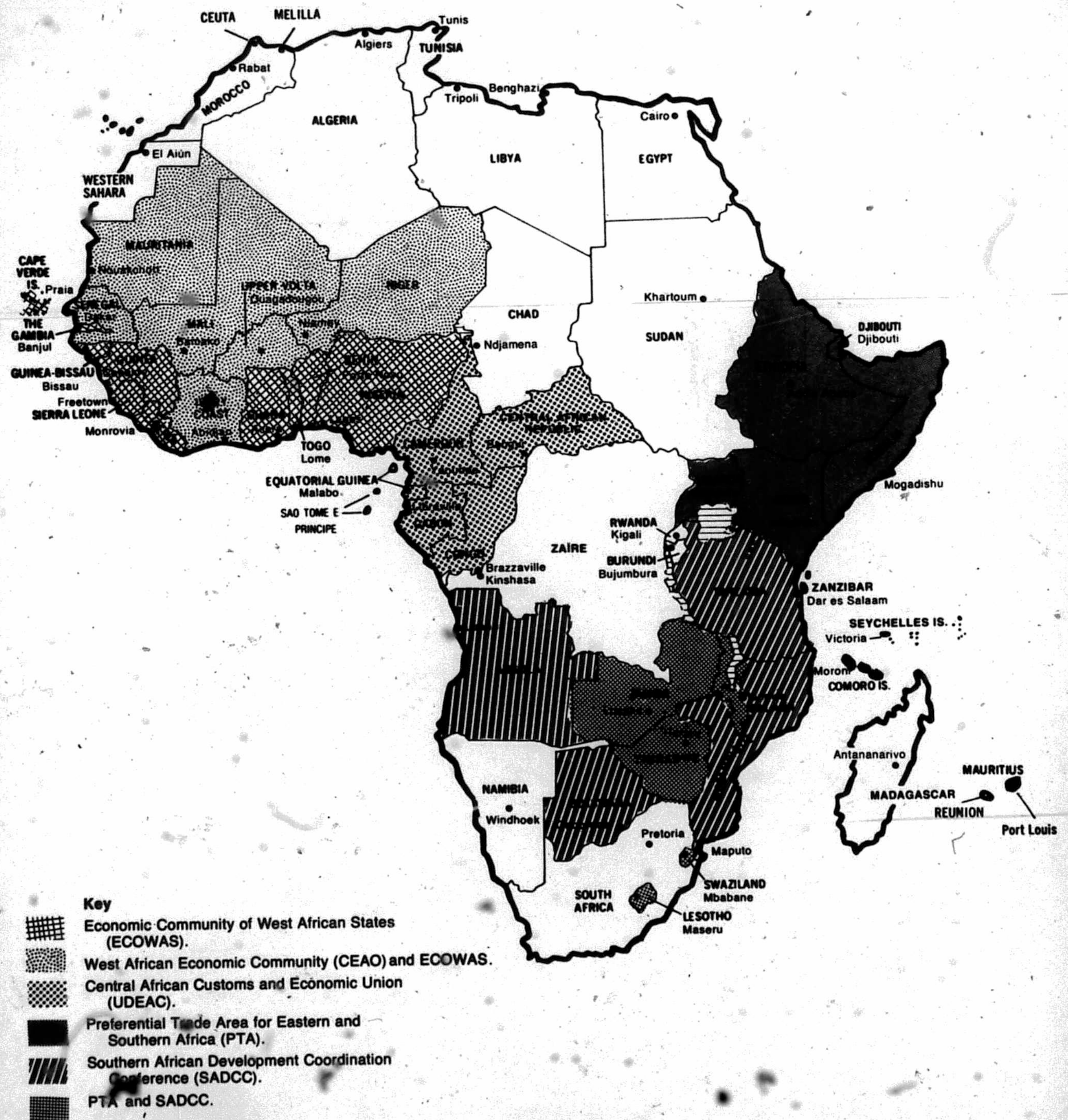
Scorecard on Constructive Engagement

OAU: The Addis Summit and African Unity

Africa's Regional Economic Organizations



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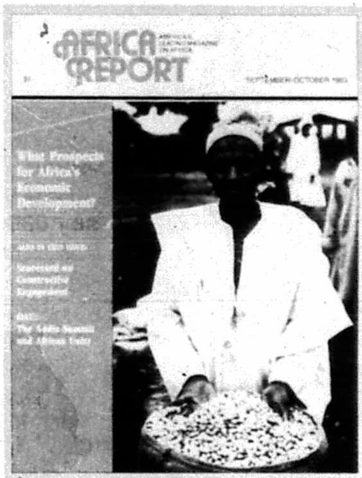

IN THIS ISSUE

In this issue, we take an in-depth look at Africa's economies, starting with Robert Hormats' analysis of the continent's position within the current global economic environment. He provides recommendations for policy measures by the United States and other industrialized nations that would not only alleviate its current problems, but strengthen Africa's future development prospects. Chedly Ayari assesses strategies for the continent's economic advancement, and devotes special attention to the role of Arab aid. The controversial issue of Third World debt is examined by Antonio-Gabriel Cunha and Joanne Donnelly, who suggest ways of easing Africa's debt burden.

Adebayo Adedeji of the Economic Commission for Africa provides a frank assessment of Africa's domestic policy shortcomings and outlines priority areas for African economic planners. Strategies to improve Africa's poor agricultural performance are suggested by Maurice J. Williams of the World Food Council. The prospects for Africa's oil industry amid a global oil glut are outlined by Howard Schissel, and Karl Lavrencic reports on the status of the North-South dialogue in light of the UNCTAD VI meeting.

We also provide an analysis of the Reagan administration's major African policy initiative, "constructive engagement," in our In Washington column by John de St. Jorre. And *Africa Report* editor Margaret A. Novicki, who attended the OAU summit in Addis Ababa, assesses the issues that challenged African unity during the meeting and the tasks that lie ahead of the organization in the coming year. We also provide an interview with Peter Onu, who was named OAU secretary-general ad interim at the Addis summit.

Photo Credit:
The cover photograph of a Nigerian farmer selling his groundnut surplus was taken in Gusau by Yosef Hadar/World Bank.

Africa in the Global Economy

BY ROBERT D. HORMATS

Photo: John Moss/IDA

An increase in concessionary aid to Africa is particularly vital today

Robert D. Hormats is vice-president for international finance at Goldman, Sachs & Co. and director of Goldman Sachs International Corp. From May 1981 to August 1982 he was U.S. assistant secretary of state for economic and business affairs. Prior to that position, he was deputy U.S. trade representative.

In an international environment of concern about the large debt exposure and economic crisis of countries so near to the United States, we must resist the tendency to neglect the problems of Africa. While the debt of African countries — totaling some $67 billion — may not be as large in dollar terms as that of several countries in the Western hemisphere such as Brazil, Mexico, and Argentina, it is significant relative to the size of African economies. It thus poses a major problem. Moreover, the amount of debt is only one part of a broader problem — the tragic setback to development in Africa caused by the drop in commodity prices, inadequate concessional assistance, sluggish demand for exports, and internal economic difficulties. But severe as the situation is, it is precisely in times of greatest difficulty that improved policies and approaches are most likely to emerge, and unsuccessful courses of action can most easily be discarded. The challenge facing Africa and the

United States as well is to forge from the current period of adversity constructive approaches to enhance prospects for sustained economic development and cooperation.

THE NATURE OF THE PROBLEM

The world is caught in the midst of a triangle of economic instability. The three sides of the triangle are recession and high unemployment, debt-related constraints on growth, and serious pressures on the international trading system. Each of these in part results from and feeds on the others.

The deep and prolonged recession and high unemployment in industrialized countries has increased sensitivity to foreign competition and induced government intervention both to limit imports and to subsidize exports, as countries try to sell similar goods in a shrinking world market. It has also reduced the unit value and volume of exports of developing countries and weakened prices for their commodities. This has sharply reduced the ability of virtually every African country to earn the foreign exchange needed to maintain a reasonable rate of growth and service its debts. Trade protection and subsidies — products, in part, of the recession — have combined to reduce growth and raise costs, while further complicating the international financial situation by limiting export earnings. And financial constraints on the ability of developing countries to borrow have curbed their growth and thus exports of industrialized countries; this in turn has made recovery more difficult. Exchange rate instability and misalignments have distorted trade, generated demand for subsidies and protection, and caused uncertainties that have weakened investment.

The nations of Africa have suffered a considerable economic setback resulting from this convergence of events. The decline in commodity prices by over 15 percent in both 1981 and 1982, the volatile price of oil, agricultural export subsidies by major trading nations, restrictions on imports of labor-intensive and agricultural products, constraints on aid by donor countries, and currency instability have all adversely affected African economies.

And statistics tell only part of the story. The deeper set of problems lies in the serious impact of these factors on development prospects and human well-being. Major new development projects have had to be postponed. The energy problems of the 1970s led to a stripping of the forests in West Africa and major areas of East Africa; this has worsened the agricultural situation and led to massive erosion. Equally damaging to agricultural production has been the 1982-83 drought plaguing southern Africa, as well as parts of western, central, and eastern Africa. Foreign exchange constraints, for example, in Zambia and Sudan, have limited the ability of firms and governments to import spare parts needed to make factories run and farm equipment work. Constraints on the ability to import industrial raw materials in countries such as Zimbabwe and Tanzania have led to reduced production for both domestic and foreign markets, and thus to increased unemployment. And a lack of foreign exchange to buy sufficient fertilizer and inputs has seriously affected the vital agricultural sector, adding to the difficulties many African countries already face in increasing food production at a rate that keeps up with population growth. In addition, inadequate domestic incentives to farmers, exchange rate rigidity, attempts by governments to take on too many administrative tasks with too few people and inadequate resources, and limited economic integration have added to, and complicated solutions to, many of these difficulties.

Remedies for financial problems are particularly complex. In order to bring debt service payments into better balance with debt service capacity, many African nations are having to limit consumption in order to curtail imports, while trying to increase exports. This formula is correct in most individual cases. But several countries are finding that simply reducing domestic growth does not ensure that the same goods that are no longer consumed domestically can all be exported. Indeed, without new investments to take advantage of exchange rate devaluations and to aim production toward foreign markets, austerity programs and exchange rate movements will not be as effective as they might be in bringing about improvement in trade balances. And if a large number of developing countries together try to improve trade balances at the same time that many industrialized nations also try to do so, the effort will be frustrated as each country tries to counter the actions of others. This is the case today. Clearly, not everyone can increase exports and reduce imports at the same time.

But if significant increases in exports of developing countries are not attainable in this environment, can they obtain financing needed to manage their debt and undertake necessary domestic adjustments without a dramatic reduction in growth and imports? And if they cannot, what are the implications? Of the sources of financing available, official development assistance has been limited by budgetary constraints in many donor nations at precisely the time when such assistance is especially vital for developing countries and a necessary investment in the long-term health of the world economy. Commercial banks are cautious because of a generalized desire to reduce risk, concern over potential actions of their national regulatory authorities, a greater reluctance by regional banks to participate in syndications, and weakness in domestic loan portfolios.

This puts a particular responsibility on the International Monetary Fund (IMF), whose role it is to provide transitional financing in order to avoid a sharp reduction in economic activity in the debtor countries while they are attempting to reduce their debt to more manageable levels. IMF programs have often met with major difficulties in Africa. The IMF is faced with the task of carefully balancing what is necessary to achieve steady improvements in a country's debt situation against the risk that its recommendations, if too stringent, will not be workable or will undermine the country's political cohesion and thus its ability to take any firm economic action at all. Frequently, owing to overly optimistic projections of export increases or of domestic capacity to reduce budget deficits or subsidies or adhere to other targets, IMF programs have had to be renegotiated.

Further complicating the IMF di-

Photo: Zimbabwe Info.

Zimbabwean timber: Broadening commodity stabilization schemes should be considered

lemma is that it has traditionally prescribed policies that reduce consumption and imports and increase exports, in an environment in which other economies were growing enough not to mind taking more of the exports of the debtor or selling less to it for a time. In the current environment of simultaneous recession, this is not the case.

Where, then, in the face of these problems, should we be concentrating our attention? And how can the United States and other nations work with Africa to help it not only to address immediate problems but also to strengthen its future prospects and to develop further the potential for mutually beneficial economic relations?

WHAT POLICIES FOR THE FUTURE?

First, despite the relative unpopularity of foreign assistance in the United States, it is particularly vital during this period to increase concessionary assistance to Africa. Balance of payments support is only part of the need; increased development assistance is just as, and perhaps even more, vital. Unlike several developing countries in other continents, few African countries can even come close to meeting their financial needs in commercial markets. They will need concessional assistance if they are to undertake successfully the difficult structural adjustments needed to improve their agricultural infrastructure, strengthen their economic and administrative institutions, reduce energy dependence, and modernize or extend their transportation, communications, and credit infrastructures. Without such improvement, chances of successful stabilization programs would be considerably diminished. Private investment, while it can and should be provided with fertile ground and expanding opportunities to demonstrate its dynamism, cannot be expected to fill such needs completely. Indeed, some countries' abilities to attract additional private investment will depend on the improvements in education and infrastructure that require additional concessionary assistance. For these reasons, meeting current pledges to the International Development Association (IDA) of the World Bank on time as well as a large replenishment of these funds, substantial increases in funding for the African Development Bank (ADB), and increased bilateral aid are all necessary.

Second, debt rescheduling agreements and IMF programs need to reflect the difficulty some countries will have in undertaking stringent stabilization measures and their desire to avoid too sharp a reduction in growth. The economic, political, and human impact of a sustained period of negative or very low growth in most developing countries, which have political systems only recently established, high population growth, and very little in the way of unemployment or social security programs, is far more serious than in the industrialized countries; thus their tolerance for prolonged austerity is relatively low. Indeed, there is a grave risk that abrupt or sustained declines in growth may weaken the very government undertaking the stabilization program, or that governments will not go as far as the IMF wants because they fear social or political repercussions. In many cases, a relatively longer period will be required for the necessary adjustments to take place without economic or social disruption. During this period, flexibility on the part of the creditors, continued flows of concessional financial resources, and IMF funds will all be needed to support sound stabilization programs. And, as noted above, long-term World Bank, ADB, and bilateral support will be needed to supplement the efforts of African nations to promote structural adjustment.

Where debt reschedulings are needed, there should be a more regularized and expeditious procedure — before a crisis arises — to ensure that such negotiations can be conducted smoothly in order to reduce uncertainties for both creditors and debtors. And they should be seen not simply as a one-shot way of addressing a momentary issue, but, if accompanied by effective domestic policy measures and adequate international financial support, as a step toward strengthening a country's overall financial condition. Accordingly, terms should permit sufficient breathing space to give a country time to strengthen its economy. They should avoid forcing too large a repayment too soon and thereby depriving countries of an amount of foreign exchange so large as to seriously impair its capacity to import goods essential for the recovery of its exports and its economy. And this could be followed or accompanied by the development of a financial strategy consistent with development needs, for determining optimum levels and the best sources of future borrowing and a debt management system to monitor this.

Third, a special effort must be undertaken in the General Agreement on Tariffs and Trade (GATT) to find ways in which the world's least-developed countries, many of which are in Africa, can increase exports. This is important over the longer run to enable them to diversify their economies and thus lessen reliance on vulnerable commodity exports.

Fourth, increased technical assistance will be necessary to help African countries strengthen their economic institutions and improve their training programs. Transferring basic technical knowledge and skills, through the United Nations Development Programme and related programs, is particularly urgent. Africa's human resources are a major potential source of economic strength; and technical assistance can boost productivity and know-how to strengthen and broaden participation in economic growth.

Fifth, work needs to be done to find ways to reduce the volatility of commodity export earnings. Many African economies have been seriously disrupted by the steep decline and volatility in commodity prices. Recent experience may prove instructive in identifying ways to improve commodity agreements, for instance, by improving understanding of what we can realistically expect commodity arrangements to achieve, for example, their inability to prevent wide swings in price, and whether some commodities are better candidates than others. Possibilities for broadening the STABEX scheme, the European Economic Community's program for reducing volatility in commodity earnings, and other arrangements of a similar type might be considered. New financing techniques for permitting countries to borrow against future deliveries of commodities or improved techniques for using forward markets and hedging could also be explored. And more research is needed on increasing the value added of African commodities, for example, by encouraging investment in new processing facilities, in order to boost export revenues and increase commodity-related jobs.

Sixth, greater international support should be given to efforts to strengthen regional cooperation in Africa. Monetary and trade cooperation through such groups as the Economic Community of West African States (ECOWAS), the West African Economic Community (CEAO), the Southern African Development Coordination Conference (SADCC), and the Preferential Trade Area (PTA) for eastern and southern Africa can help both to broaden markets and to facilitate trade among African countries. The Lagos Plan of Action highlights the importance of and the African commitment to improved regional cooperation. Much can be done — by applying the successful techniques and avoiding the mistakes of other monetary or trade groupings — to help African countries move in this direction.

Seventh, increased opportunities for the private sector should be explored. While there are currently constraints on debt borrowing, there are opportunities for African countries to attract additional equity investment. An intensive process of identifying both firms interested in investment opportunities in Africa and the types of policies and practices that could be pursued by African governments to attract new investment could be extremely useful.

Eighth, African governments themselves need to reduce exchange rate rigidities, improve administrative efficiency, avoid disincentives to domestic agricultural and industrial production, and in other ways reduce impediments to growth and new investment. Where positive incentives have been given, such as in agricultural development projects in Nigeria and Kenya, cotton projects in Mali and Upper Volta, industrial production in Zambia, and marketing improvements in Cameroon and Ivory Coast, there have been positive results. The question should not be one of competing ideologies, but of what works and what does not.

Difficult times give governments an opportunity to discard policies of an earlier era that have not demonstrated their effectiveness. Each government will have to identify for itself the optimum mix between private and public sector, the most desirable exchange rate, and the proper level and type of incentives to farmers and business. And each will need to be flexible enough to reexamine its policies from time to time in light of its own experience and that of others, in order to ensure that its policies are not inhibiting or reducing incentives for the growth of agricultural or industrial production, jobs, and exports, and to enable the limited financial and human resources of government to be concentrated in areas where they can be most effective.

Photo: Yosef Hadar/World Bank

Nigerian agricultural extension worker: Transferring technical knowledge and skills is urgently needed

The present situation poses major risks for Africa and its friends, but also major opportunities. The United States and indeed many other countries in the industrialized world must mobilize both the resources and the commitment to forge a strategy that helps Africa to deal with the major problems it faces, just as African nations themselves will need to address forthrightly the need for policy improvements. The goal should be not only to achieve temporary solutions to immediate problems, but also to begin a process of improvements leading to solid progress in the decades ahead. □

What Strategy for Africa's Development?

BY CHEDLY AYARI

The African economic crisis has now become a major topic of international debate and some argument. Not in doubt in this area of controversy and speculation are the depth and seriousness of the present difficulties in the continent and more particularly in the 21 least-developed countries, which account for about one-third of the total population of Africa.

Particularly worrying has been the failure of agriculture over the past 10 or so years even to keep pace with the growth of population, estimated to average 2.7% a year. Agriculture, after all, provides the livelihood of most of the people in Africa. In a recent speech, Edouard Saouma, director-general of the Food and Agriculture Organization (FAO), described the food crisis in Africa as probably the world's greatest economic problem. But other aspects of development have been scarcely more encouraging. None of the African countries has yet reached the stage of the so-called industrializing country, as have Taiwan, South Korea, and others in the Far East. Africa has become more rather than less dependent on the industrial world's free market economies. And now when these nations are themselves passing through a period of prolonged recession, Africa suffers more than proportionally.

Chedly Ayari is the president and director general of the Arab Bank for Economic Development in Africa (BADEA).

Photo: Kay Chernush/World Bank

Kenyan textile factory: Links between manufacturing industry and other economic sectors can promote overall development

There are historical reasons for the failure of African countries to match their political independence with genuine economic emancipation. That Africa largely produces what it does not consume and consumes what it does not produce is a legacy of colonialism, which caused the lopsided nature of African economies and their dependence on monocultures. Over 80% of exports of developing Africa consist of petroleum and primary products such as coffee, cocoa, tea, tobacco, sugar, groundnuts, cotton, copper, and phosphate rock.

Nature too has been harsh. The green and cheerful aspect of tropical Africa is very deceptive. In fact, 44% of the land in Africa is subject to drought, almost twice the world average. More than half of the land is affected by desertification or threat of it. An area of some 10 million square kilometers in a total of 21 countries is infested by the tsetse fly and therefore cannot sustain livestock. There are also man-made reasons for slow progress in Africa. Social unrest, political upheavals, and wars have had a profoundly unsettling effect on economic development.

These and many other factors would have made it difficult for Africa to keep pace with normal development in the rest of the world. But the present worldwide recession has made matters much worse. Developments in the past year clearly demonstrated that the balance of payments problems in Africa and the inability of so many countries to pay their way are due to adverse external circumstances rather than to failures on the part of the African governments themselves.

This is not to say that because Africa has been a victim of the prevailing international economic order and circumstances applying in the industrial world that the policies of African governments themselves can be given low priority. Very much to the contrary. One of the chief merits of the first African economic summit conference of the Organization of African Unity held in Lagos in April 1980 was precisely the bold and self-critical approach to which the ensuing document, the Lagos Plan of Action, provided such eloquent testimony.

This 140-page document is now Africa's official blueprint for development and serves as terms of reference for Arab cooperation with African countries. The Lagos Plan looks to the year 2000 as the time by which Africa can become fully self-reliant, provided that the African governments, assisted by the international community, carry out the recommended ambitious and comprehensive program. But thus far, the Lagos Plan argues, African governments have failed to implement the measures that have been needed. In particular, they have failed to give agriculture the necessary priority — the root of the food problem in Africa. African governments are also blamed for poor progress in economic cooperation and integration among African countries themselves.

The plan's recommendations include the following:

- Agriculture: Specific annual goals for food and agriculture to be set by the African governments. An integrated approach to be taken to farming and rural life, especially to stem the exodus of young people to towns. Promotion of better agricultural practices. Training efforts to concentrate on youth and women.
- Manufacturing industry: Food, building materials, clothing, and energy industries to be given priority. Stress to be put on the need to establish links between manufacturing industry and other sectors so as to promote interdependence among them and achieve harmonized industrialization and overall economic development.
- Energy: Tapping of the huge but still poorly utilized hydroelectric potential, which accounts for some 40% of the world's total. Alternative sources of energy, such as solar, wind, and geothermal power and bio-gas to be developed.
- Transport and communications: A total of 450 transport and 100 communications projects to be immediately implemented, in addition to studies relating to 221 projects for implementation in later phases.

The Lagos Plan, based on the twin principles of national and collective self-reliance and self-sustaining development, breathes wisdom and common sense. The Standing Commission of Afro-Arab Cooperation, the policy-making joint political institution, recommended at its meeting in Dakar in April 1982 that the Lagos Plan and its Arab counterpart, the Amman Strategy, should be the subject of an Afro-Arab study aimed at the integration or coordination of the two programs.

Meanwhile, in 1981, the World Bank published its controversial report "Accelerated Development in Sub-Saharan Africa: Agenda for Action," also known as the Berg report, marking a high-quality contribution to the debate on the problems of Africa and means for their solution. There is a great deal of common ground between this report and the Lagos Plan, both insisting on greater self-reliance and both giving agriculture high priority.

But the Berg report goes much further in making agriculture the driving force of development, especially the production and export of traditional cash crops. The Lagos Plan does not say that agriculture should be regarded as more important than other sectors of the economy, including industry. Both documents recommend better incentives for farmers, but the Lagos Plan is also careful in stressing the need to safeguard the interests of the poorer consumers.

The alleged failure of Africa to make use of the opportunities available from world trade is central to the World Bank thesis. Whatever the external circumstances under which Africa is suffering, the present balance of payments problems, the report argues, fundamentally reflect a failure in production of export commodities. The World Bank report comes out strongly against the prevailing official exchange rates,

Photo: Yosef Hadar/World Bank

Producing vegetables in Nigeria: The Lagos Plan sets specific annual goals for food production

seeing them as overvalued. This, the Berg report argues, penalizes the producer and exporter of cash crops and encourages imports, particularly of cereals.

The Berg report is highly critical of subsidized industries and import substitution policies. Favoring a more competitive spirit and a reduction of import restrictions, the report criticizes state-run enterprises and parastatals. African countries are advised to give more scope to private enterprise.

But many Africans, and Arabs for that matter, have in turn criticized the Berg report and its recommendations. A conference of African ministers in Tripoli, Libya, in April 1982 declared that the strategy recommended by the Berg report is "in fundamental contradiction with the political, economic, and social aspirations of Africa." In particular, the conference rejected the Berg report's philosophy of reliance on foreign markets as "suicidal." Given the deep recession in the developed world, entailing a slump in demand for primary commodities, African criticism is understandable.

First, it is doubtful whether pricing policies can really bring about the changes in African agriculture that are desperately needed in the long run. It is also doubtful whether any real improvement in African farming can be made as long as agriculture is predominantly based on small-scale traditional cultivators and pastoralists. In this respect, one must not lose sight of both the continued rapid increase in population and mounting urbanization.

The Arab Bank for Economic Development in Africa (BADEA) recently prepared a study on the problems and prospects of the Sahel zone. It suggested that instead of relying solely on the existing structure of small holdings farmed in the traditional way, agriculture in the Sahel ought to center on a new class of progressive and market-oriented farmers operating good-sized, modern, partly irrigated holdings with all the necessary inputs, such as machinery, fertilizers, improved seeds, weed killers, and pesticides. Although priority in investment outlays would be given to this modern, entrepreneurial farm sector, traditional cultivators and pastoralists would not be ignored or replaced, but would also be helped to improve their practices. With the help of the thrust made by the modern sector, farming in the Sahel would be expected to be fully capable of feeding a population that would by the year 2000 have increased from the present 30 million to 50 million, half of them in the urban areas.

Photo: John Moss/World Bank

Transport and infrastructural improvements are critical to long-term economic emancipation

A second point concerns the dilemma of public versus private enterprise. The image of top-heavy, bureaucracy-ridden parastatals is only too familiar. There is little doubt that many public enterprises in Africa could usefully be made more efficient and that those who work in them could be better motivated. But similar criticism could be leveled against some private monopolies. There would have been little economic development in Africa without state intervention and enterprise. In short, both public and private economic organizations are vital to African development. Finding a proper balance between the two is the art of good government.

It is for the Africans themselves, however, to set their priorities and development philosophies. This has always been a principle governing the work of BADEA. We may have our own views. We may even argue in their favor, but the ultimate decision on development is made by the beneficiary government. There is emerging, however, a new joint Afro-Arab approach to development, contrasted with the practices prevailing in the donor institutions and governments in the West and the international organizations mainly financed and managed by Western interests.

Arab donors are not trying to introduce revolutionary changes in the techniques of development financing or banking. But after eight or nine years of experience, Arab institutions now rarely need Western advisers in these matters. All identification and selection of development projects are in most cases done by the Arab and African experts alone.

With regard to criteria for accepting a project for a BADEA loan, economic viability is always an important consideration. But we may not necessarily apply the same or similar yardsticks for measuring economic impact as Western or international institutions such as the

World Bank do. It may be, for instance, far more significant to us that construction of a road will open up a hitherto isolated but potentially important agricultural area rather than that a great number of vehicles are likely to use the new route.

Another characteristic of Arab aid, which also provides a contrast with other institutions or governments, is that it is mainly directed toward the least-developed or otherwise underprivileged countries. This applies to more than three-fourths of the total Arab official development assistance going to sub-Saharan Africa, on terms that include a grant element in excess of 80%. Other sources of aid, notably some Western governmental agencies, are known to supply concessional loans or even grants preferably to medium-income countries where the benefit expected by the donor for his effort is likely to accrue faster than in the case of low-income countries. This is particularly true of aid tied to purchases in the donor country. Arab aid is never tied, if for no other reason than that the Arabs have no industries or technology whose supplies or services could usefully be tied to assistance for a given development project.

According to data compiled by BADEA, Arab governments and their agencies, bilateral and multilateral, committed a total of nearly $7.5 billion in direct aid to non-Arab Africa in the period from 1975 to October 1982, mostly on concessional terms. In addition, Arab countries and their agencies contributed substantial financial support to international institutions that assist the region.

Although Arab aid may not be tied to any economic, political, or commercial conditions, it is not a totally disinterested aid, since it springs from a belief that the destinies of the Arab world — oil-rich and non-oil countries — and Africa are intertwined. The two communities share both the same aspirations for true economic, social, and national emancipation and the same problems.

Although the Arab governments, agencies, and funds may diverge in many respects, there is also continuous pressure for unity and common stands. Up to 10 Arab development institutions, or those with mainly Arab membership such as the Islamic Development Bank and the OPEC Fund, meet biannually to coordinate their activities. Frequently, Arab funds cofinance projects in Africa with one of the institutions assuming the role of the group's leader. Needless to say, any special interest shown by one of the funds in the development problems of any particular African country or project will be likely to receive sympathetic hearing from the other Arab funds. There is also a broad consensus on who should be helped, particularly the most economically disadvantaged African countries, and also on the purposes of the assistance.

Photo: Margaret A. Novicki

Kariba Dam in Zimbabwe: Africa has 40 percent of the world's hydroelectric potential, but it is underutilized

It is no coincidence, for example, that the lion's share of all Arab project aid goes for infrastructure, notably transport and communications. Out of the 10 loans approved by BADEA last year, five were for transport and communications, including one of $10 million for a road-building program in Zimbabwe. Emphasis on infrastructure is understandable. First, it is the African countries themselves that ask us to help finance infrastructural projects. But this is also the area of development especially critical from the point of view of long-term economic emancipation of sub-Saharan Africa.

The past few years have seen the initiation of many infrastructural projects cofinanced by Arab agencies and other donors and interests. This progress is encouraging. In late 1982 we inaugurated a hydroelectric power project in Selingue, Mali, to which BADEA contributed a record loan of $15 million, with several other Arab funds and Western interests participating in the financing.

Let us not forget that by helping Africa to develop, we also help ourselves, our children, and grandchildren. Africa is the poor rich man. There are huge potential resources to be developed for the benefit of Africa as well as mankind as a whole. Hydroelectric potential is one such resource. But the continent also contains 97% of the world's reserves of chrome, 85% of the platinum, 64% of the manganese, 25% of the uranium, and 13% of the copper, not to mention bauxite and lead, 20% of the oil traded in the world (excluding the United States and the Soviet Union), 70% of the world's cocoa production, 33% of its coffee output, and 50% of its palm oil production. And the list is far from complete. What is needed is for the international community to join forces to assist Africa in finding solutions to its problems as well as in developing its future prosperity. □

Adebayo Adedeji,
Executive Secretary, Economic Commission for Africa

INTERVIEWED BY MARGARET A. NOVICKI

AFRICA REPORT: This year is the 25th anniversary of the Economic Commission for Africa [ECA]. What has it achieved over the years to assist in African economic development?

ADEDEJI: We must remember that in 1958 when the Economic Commission for Africa was established, there were only eight independent African countries, excluding the Republic of South Africa. There was no forum in Africa for these countries to meet. There was no economic data on an Africa-wide basis. There was no opportunity for states to exchange ideas and harmonize their development policies. Therefore the first task of ECA, a task that I believe it has performed very successfully, was to provide that kind of service, to serve as a forum for the exchange of views, for the harmonization of policies and programs, and increasingly a forum for the determination of the African point of view on issues subject to international negotiation. The first economic survey of Africa was produced in 1959. Since then, we annually publish an economic survey of the continent. We have undertaken studies on different aspects of Africa's economic development that have proved extremely useful as inputs to the determination of national policies. I think in this area we achieved a major breakthrough when we prepared what is now called the "Monrovia Strategy" for the ECA conference of ministers, which was held in Rabat in 1979 and which decided that this document was important enough to be formally adopted by the heads of state who were to meet in Liberia a few months later. Hence it is called the Monrovia Strategy. And the following year, we prepared the draft Lagos Plan of Action. Therefore, over the years, the commission has influenced considerably the thinking of government circles and outside in terms of economic policies and strategies for Africa.

Photo: Margaret A. Novicki

Adebayo Adedeji: The ECA has had considerable influence on Africa's economic policies

The second significant accomplishment is that the ECA right from the start saw it as one of its main duties to bring about meaningful economic cooperation arrangements. It was the ECA that divided Africa into subregions—western, central, eastern, southern, and northern Africa. In the early 1960s we set up subregional offices that have continued to help over the years in the establishment of economic cooperation arrangements in each of the areas. In West Africa, the Economic Community of West African States [ECOWAS], the West African Economic Comunity [CEAO], and the West African Rice Development Institute [WARDA] were in fact established by the ECA. The ECA also played a major rôle in the establishment of the International Institute for Tropical Agriculture, which is an Africa-wide institution. In eastern and southern Africa, it took us almost 20 years to achieve a breakthrough in regional cooperation for the simple reason that at the time of independence, three of the countries of eastern Africa—Kenya, Tanzania, and Uganda—inherited the Common

Services Authority, which had been established by the British government and which they converted into the East African Economic Community. The regional approach of the ECA was to expand that committee to allow other members to join. But the three countries were very reluctant. In any case, the community itself was unfortunately disbanded in 1976. Thereafter there was a vacuum. There was no single economic cooperation agreement in eastern and southern Africa, and we stepped in to fill the void. We called a meeting of all the ministers of the subregion in Lusaka in December 1977 and formulated a declaration of commitment and intent to establish an economic cooperation arrangement beginning with the preferential trade area [PTA] for eastern and southern Africa, which after a period of time will graduate to an economic community. The PTA was established in December 1981. It now has 14 member states; and when all the member states join, there will be 20, making it the largest economic community. When Namibia becomes independent, there will be 21 members.

We are now working with 11 countries of central Africa to establish an economic community of central African states. In May we completed the negotiating process and a draft treaty, and protocols have now been sent to member states for their final consideration. It is hoped that before the end of the year a summit meeting will take place to sign the treaty.

In the course of the past 25 years, therefore, we see emerging the broad picture of three major intergovernmental cooperation arrangements for Africa south of the Sahara—ECOWAS for the 16 countries of West Africa, the proposed economic community for the 11 countries of central Africa, and the preferential trade area for the 20 countries of eastern and southern A[illegible] is some dual membership; for instance, Rwanda [illegible] di are central African countries geographically, but economically they have more contact with eastern and southern Africa, so they have decided to join the PTA and are also involved in the negotiations for the central African community.

It is only in northern Africa that we have not been able to see our way through yet, regrettably because of political differences. It was in that part of Africa that ECA took its first major initiative in the early 1960s in the establishment of the Maghreb zone, comprising Algeria, Morocco, and Tunisia. Unfortunately, because of political differences, not only did it become defunct, but it was not possible for other countries of northern Africa to join. There is now a move to revitalize the Maghreb, and if this happens we will be able to establish for all the countries of northern Africa arrangements similar to those for the countries of Africa south of the Sahara.

Our third area of concentration over the years, one in which we have made substantial progress, is the promotion of technical cooperation among African countries. Right from the start, this has been one of the commission's major areas of activity. The ECA itself was the first pan-African institution. Immediately after it was formed, we embarked on the establishment of the African Development Bank, and then the African Institute for Development Planning for the training of African planners. Since then, we have established a network of institutions throughout Africa, many of which are Africa-wide and others that are subregional. For instance, we have established three institutions in the field of technology—the African Regional Center for Technology in Dakar, Senegal; the African Higher Institute for Technical Training and Research in Nairobi, Kenya; and the African Regional Center for Engineering, Design, and Manufacturing based in Ibadan, Nigeria. These three constitute major institutions in the field of technology and are Africa-wide in scope. We have established the Center for Mineral Resources Development in Dodoma, Tanzania, which caters to the countries of eastern and southern Africa. We are creating a similar center for central Africa, which is going to be based in the Congo. We have 30 of these centers in all the major sectors of economic activity.

Fourth, we have paid a lot of attention to transport and communications because Africa was and to a large extent still is one of the least physically integrated continents of the world. It is ver[illegible] but for historical reasons the transport system tha[illegible]d at independence was oriented towards export an[illegible] trade. There was no link—railway, road, or telecommunications—between and among African countries. Now things have improved considerably. In the field of transport, our efforts led to the establishment of the declaration of the "Transport and Communications Decade for Africa" by the UN General Assembly in December 1977, upon the recommendation of the ECA conference of ministers. Jointly with the International Telecommunications Union, we started the Pan-African Telecommunications Network [PANAFTEL], which has achieved tremendous progress in establishing linkages. We have established jointly with the Organization of African Unity [OAU] the African Railway Union, whose task is to link the various railway systems in Africa. In each subregion we also have port management associations for port development and civil aviation. So in the area of transport, which for us is one of the major prerequisites for effective economic cooperation, we have over the years continued to intensify and widen the scope of our activities.

In the field of manpower development, we have a fellowship training program. Fellowship offers are given to us by some of the non-African member countries of the UN, which we make available to qualified Africans. We ourselves have since expanded that fellowship to add an element of technical cooperation among African countries. An African country offers 20 or 50 fellowships to ECA and these are offered to Africans other than their own nationals. Through this, we will reduce the present outward move of many Africans for higher education. Second, it will strengthen cooperation among African countries.

AFRICA REPORT: What obstacles are standing in the way of translating all of ECA's efforts into meaningful economic development in Africa?

ADEDEJI: The immediate problem we face is that in spite of all our endeavors, the African economic scene leaves much to be desired. These countries today are faced with major economic crises. We are now increasingly dependent on food imports. We have energy crises for the majority of the member states that are non-oil producing. We have balance of payments problems and debt burdens. We are in a way the victim of the international economic community because, as a result of colonialism, we inherited economies that were utterly dependent on the international economic community. We made the mistake of not cutting the link as soon as we became independent. We continued with the same mix of policies that we had inherited—producing for export and import substitution industry. But we now know that this has not only failed to help us, but it has aggravated our very poor position. So today, we have a very serious major economic crisis, to which we are paying increasing attention. A part of our response was the Lagos Plan of Action and the Monrovia Strategy. Our problem now is to translate the Lagos Plan of Action into real action at the national level, where 80 or 90 percent of the work has to be done.

Our other major problem as an institution is that we are unable to meet the expectations of our member states because of resource constraints. We are an organization of the United Nations, from which we derive our resources. We are therefore subject to constraints that affect all the other organizations within the system. But we are also a unique organization because we are the only one of its kind in the whole of Africa. And over the years, our member states have expected much more from us than we are in a position to provide because of resource constraints. Indeed, today, our extrabudgetary resources (those that do not come from the regular UN budget) account for more than 60-70 percent of our total resources. Most of this comes bilaterally, from donor countries. In 1977 we began requesting that African countries contribute voluntarily. This has not amounted to much in real terms, but the spirit itself is very important because over 40 countries have participated by voluntary contributions. Every two years, we have a pledging conference at which African countries contribute voluntarily. We held the fourth pledging conference in May as part of the "Silver Jubilee" session. But even then, with all the resources we get from the regular budget, from extrabudgetary sources, from African pledges, we are still short of funds, particularly given the rising demand for our services.

Photo: Camerapix

Harvesting tea in Kenya: Arable land is often devoted to export crops instead of to meet domestic needs

AFRICA REPORT: To what do you attribute Africa's current economic problems—is it domestic mismanagement, the structure and current state of the international economy? Are the lending policies of multilateral institutions, such as the International Monetary Fund [IMF] and World Bank, ameliorating or exacerbating the situation?

ADEDEJI: Quite frankly, I think the African governments have to accept full responsibility for the state of the economies today. The time has passed when we should lay this blame at the doors of others. If we continue to do that, it means we are not responsible people. Because of our lack of understanding of the complexity of the development process, of how to bring it about, we have pursued to a greater or lesser extent the strategies and policies that we inherited. Economic science justified what we were doing. Maybe due to the fact that most of those who assumed leadership were themselves educated in the West, it was easy for them intellectually to accept those strategies. If we had just paused a moment and asked ourselves 20 or 25 years ago, why is it that Ghana is producing cocoa, why is Kenya producing tea and coffee, why is Ethiopia producing coffee, why is Egypt producing cotton? Their people don't consume them in any significant quantity, but produce solely for export to earn foreign exchange, which is now used to buy rice, wheat, and corn, which could have been produced locally. Why do we have economies whose productive activity is geared towards producing not for their own people, but for outsiders, and which depend on those outsiders for their own needs? If we had asked these types of questions, we might have been able to make a break with the past. But we did not, and that is where we went wrong. This is what we are trying to correct through the Monrovia Strategy and the Lagos Plan of Action. Unfortunately, the international economic situation has not helped. We entered the international economy at a time when, in spite of the rhetoric, the rich countries were not as selfless as they pretended to be. Even in the 1960s and early 1970s, when aid was generous, it was usually tied, and because it was tied, it tended to distort the priorities of developing countries and delayed the implementation process. The donor countries and institutions have the last word, rather than the governments themselves, such as in the recent controversy between the IMF and Tanzania. I think, in the final analysis, that the IMF won. This is the grueling reality of poverty. When you are poor, you can never be right. It is the rich country that is right, because it is the only one that can help you out. Further, the world demand for the commodities that we produce has

Photo: B. Wolff/United Nations

Planting rice in Tanzania: African states must reach self-sufficiency in food production

never really risen markedly, even during the days of high economic activity and full employment in the industrialized countries, because they are commodities with low income elasticity and with very high rates of substitution. The result is that as we continue the policies we had inherited, we increase production of these commodities in the face of very little rising demand. Therefore we were faced with falling prices. Instead of drawing lessons from this and making a break with the past, we continued to ask for commodity price stabilization, STABEX, which will really not bring about development or the rapid transformation of our economies. These are purely palliative measures in terms of what is at stake.

Therefore, I believe that we must accept the full responsibility for not asking ourselves where we were, how we got there, where we wanted to go, how we could get there, and whether in getting there we needed to change certain fundamentals in our society. We have just assumed that by continuing the way the economies had been run in the past, we would achieve this transformation. We also made one very false assumption—we tried to fit ourselves into words such as socialism and capitalism, which have very little meaning for us, instead of asking ourselves how we really could achieve development. Development is a unique thing for each country, for each society. It is the cumulative result of its cultural, political, and social history and development. We got ourselves embroiled in ideological predilections that were more destructive than helpful. There is also the problem of the management of our economies. Our rate of progress would have been a little faster, even significantly faster in some places, if we had managed our limited resources efficiently. Poor management of our resources is one of the major problems we face. Unless we improve on our management, then the wastage that has been occurring over the years will continue in the face of declining resources.

AFRICA REPORT: Does the Lagos Plan of Action represent a break with the past line of thinking you described?

ADEDEJI: Yes. The Lagos Plan was a significant development because when we were working on it, even in this secretariat, which represents many differences of opinion, the fear was expressed that it would be difficult to get all the 50 countries of Africa, each with a different political ideology, to agree to the Monrovia Strategy and the Lagos Plan of Action, but they did. Now our next challenge is to get them to translate this into their national development plans, annual budgetary allocations, their economic policies, and so on.

AFRICA REPORT: Do you expect that that can be done? Is the Lagos Plan of Action's target of economic self-reliance by the year 2000 a realistic one?

ADEDEJI: When a people really makes up its mind to accomplish something, it is amazing what can be done. It's taking them to that stage that is the problem. The international economic situation may actually be helping in this regard, because the harder it becomes, the worse it becomes, the more we are required to face the fact that our economic situation lies in our own hands. We will have to do something. Once we mobilize ourselves, we will have the capacity to achieve a breakthrough.

AFRICA REPORT: What are the essential elements of the strategy for Africa to break out of the economic crisis?

ADEDEJI: The number one priority is the food sector. In 1960, Africa was more or less self-sufficient in food. Today we are importing almost one-fifth of our food requirements. It is projected, if present trends continue, that at the beginning of the next decade our food self-sufficiency ration will deteriorate further, which means that we will be spending an increasing proportion of our diminishing foreign exchange earnings buying food. So we need to become self-sufficient in food, but we cannot do that unless we change our newly acquired food habits. Thanks to the U.S. Public Law

480 ["Food for Peace"], we have acquired tastes for goods that we can never produce due to our climatic conditions. And it is essential for us to be able to accustom our tastes to goods that our climate enables us to produce. We are currently spending $5-6 billion on wheat. We estimate, given the rising population in Africa and the rising rate of urbanization, that by the turn of this decade we will be spending more than twice that to import wheat. One wonders why we cannot have corn- or cassava-based bread. Our number two priority, which is contained in both the strategy and the plan, is in the industrial field. I think we have pursued an industrial policy over the years that has had no impact upon our economies. We have created enclaves of modernized sectors that really have no linkage with the rest of the economies. In the production of beer, for instance, every raw material except water is imported, because we do not produce malt, barley, etc. Again, it is a question of adapting. Why can't we adapt our own products? We must have industry based on the use of our own raw materials. Eighty percent of the industries in Africa depend on imported raw materials and this is a raw material-producing continent. This is an agricultural continent. That is the greatest contradiction we face. The result is that what should have been a savings of foreign exchange becomes instead a great demander of foreign exchange. And when you are short of foreign exchange, industries close down because they cannot purchase raw materials or spare parts. The third area for concentration is transport, communications, and infrastructure facilities, and the fourth element of the strategy is collective self-reliance and economic cooperation among African countries.

Food aid programs like PL-480 have changed African eating habits, increasing dependence on imported grains

AFRICA REPORT: Is the strategy you outlined in contradiction with the World Bank's "Agenda for Action" [also known as the Berg report]?

ADEDEJI: At their meeting last year the ECA conference of ministers issued the Tripoli declaration on the Berg report. We have no difference of opinion with its analysis—we agree. Where we do not agree is the argument in the report that African countries are not doing well because they are not increasing their production of commodities for export. How can you increase export production in a situation where the demand for your exports is diminishing and prices are going down? Second, the report says we are not doing well because of public enterprises and government involvement in economic activities. Compared to the proportion of the gross domestic product absorbed by the government of the United States at the federal, state, and local levels, that of the most so-called socialist state in Africa is only a small fraction. Right from the very beginning, government has played a very important role in the development process in every society; and we in Africa in particular, given our limited entrepreneurial capacity and the lack of capital, cannot begrudge governments getting involved in pushing development. Our governments have a catalytic role to play in this area. There is no proof of inherent weakness in public enterprise vis-à-vis private enterprise. However, that does not mean that many of the public enterprises in Africa are not being mismanaged. But that should not lead us to the conclusion that we should close down all the public enterprises or that we should privatize our economies. This is an area of important difference between us and the Berg report.

Our third criticism is that you get very little serious analysis of the importance of economic cooperation and integration in the Berg report. In a continent full of many small states, the majority of which have less than 10 million people, ECA believes that economic cooperation must be part and parcel of national policy because, with the exception of Nigeria and maybe Egypt, none of the countries has a population base that can constitute the basis for rapid socioeconomic transformation. □

Defusing Africa's Debt

BY ANTONIO-GABRIEL M. CUNHA AND JOANNE DONNELLY

The international debt climate has cooled considerably since August 1982, when Mexico initiated a trend of major debt reschedulings. Essentially symptomatic of the economic dislocations that are traceable to the 1973 oil price shock, debt reschedulings — particularly in the Latin American countries — have become the main focus and concern of the international financial community. Not only did the debt debacle in Latin America send financial lenders into a hasty huddle over the mechanism for restructuring sovereign debt, but it forced them to rethink the role of existing institutions and the need for new ones that would accommodate a new fact of financial life — that many developing country debts will not be repaid under existing terms.

While the actions of the three key Latin American borrowers — Mexico, Brazil, and Argentina — have been in the limelight, less acknowledged has been their impact on other LDC (less-developed countries) borrowers. But for a few notable exceptions, African borrowers have faced a less fervent credit market. Never as popular as Latin American or Asian borrowers, ostensibly for economic and financial considerations, African borrowers are confronting a retrenchment of international finances for reasons that are not entirely within the scope of their economies to remedy.

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OPEC's 1979 oil price hike proved to be the final straw. Oil conservation and antiinflation policies in the West translated into high real interest rates, a strong dollar, and a combination of dampened world demand and severely depressed prices for most commodity groups. In effect, LDCs at large confronted the hapless erosion of their export earnings with no other recourse but to curtail domestic investment severely and to step up their short-term borrowings in an attempt to offset their foreign exchange losses. The recession in the West exacerbated Africa's already deteriorating terms of trade that had originated with higher oil import bills.

For non–oil-producing African countries, international reserve levels, excluding gold, began their perilous descent in 1980. After falling slightly to \$5 billion, they slid a more rapid 12.7% in 1981 and a further 14% in 1982, ending the year at \$3.8 billion. When oil producers Algeria, Egypt, Libya, and Nigeria are included, the constricting liquidity position of the continent is more pronounced. After rising 65% in 1980 to \$33 billion, international reserve levels, excluding gold holdings, plunged nearly 35% in 1981 and another 28% in 1982 to \$15.6 billion.

Commercial banks' lending policies, matching risk to yield, are guided by country risk analyses that aim to relate a country's ability to finance its debt service payments to its export and overall economic performance. One widely used standard indicator, the ratio of interest and principal payments to exports of goods and services, has proven inadequate as a gauge of present and future liquidity. First of all, short-term debt was routinely excluded from the ratio on the grounds that such debt tended to be rolled over or reextended automatically, related as it was to trade financing. In effect, however, the short-term dimension of LDC debts has expanded, becoming a substantial part of the debt burden as countries borrow short to repay interest due on outstanding debt. Secondly, the ratio fails to capture payments in arrears that have led to a number of reschedulings.

Moreover, in the case of many soveriegn borrowers in Africa, particularly non–oil-based economies, lending practices have tended to exhibit a deeply seated paradox. The risk associated with lending to many countries is perceived to be too high, despite relatively positive economic indicators including the debt service ratio, and disbursements are therefore denied. Yet in the cases of a handful of borrowers that perennially run into arrears and/or reschedulings, perceptions of risk are relatively low, despite strong evidence of dubious financing capabilities. These countries nevertheless receive new disbursements. Ultimately, this suggests that lending to African countries is in many cases a political decision.

Africa's importance to the industrialized world has for the most part been understated. In addition to being a key supplier of industrial raw materials and

Africa's External Debt Position*

	Total Debt (%) ($ billions)	BIS-reported Commercial Bank Debt ($ billions)	Total Debt/ Exports (%)†
Total Africa			
1977	55.5	22.7	91.2
1979	85.7	38.8	99.0
1981	107.4	49.5	108.0
1982	123.0†	55.5	143.4
Algeria			
1977	8.3	4.4	138.1
1979	15.0	9.0	158.2
1981	14.5	8.4	102.7
1982	14.5	7.7	111.5
Egypt			
1977	8.5	1.4	430.6
1979	12.0	2.2	495.0
1981	16.1	4.4	402.6
1982	18.0	4.9	450.0
Libya			
1977	0.5	0.2	4.8
1979	1.2	0.6	7.5
1981	2.2	1.1	14.9
1982	2.0	1.0	15.4
Mauritania			
1977	0.4	0.03	254.7
1979	0.6	0.08	408.2
1981	0.9	0.1	333.3
1982	0.95	0.1	527.8
Morocco			
1977	4.1	1.7	319.6
1979	7.0	3.4	361.4
1981	10.3	3.7	451.2
1982	11.0	3.9	550.0
Sudan			
1977	2.6	0.7	395.1
1979	4.1	1.0	797.7
1981	5.4	1.1	678.4
1982	7.0	1.1	875.0
Tunisia			
1977	1.7	0.4	219.1
1979	3.0	1.2	195.1
1981	3.3	1.1	157.0
1982	3.5	1.1	166.7

	Total Debt (%) ($ billions)	BIS-reported Commercial Bank Debt ($ billions)	Total Debt/ Exports (%)†
Ivory Coast			
1977	1.9	0.8	78.8
1979	3.6	2.4	132.3
1981	4.9	3.2	179.3
1982	5.2	3.4	209.4
Kenya			
1977	1.1	0.3	97.3
1979	1.9	0.8	184.3
1981	2.5	0.9	244.4
1982	2.7	0.7	270.0
Nigeria			
1977	1.7	0.8	13.7
1979	4.3	3.4	23.9
1981	7.0	6.0	41.0
1982	10.5	8.5	95.5
Zaire			
1977	3.1	0.9	298.6
1979	4.0	1.3	285.7
1981	4.3	1.1	390.0
1982	4.6	0.9	460.0
Zambia			
1977	2.1	0.6	234.1
1979	3.4	0.6	241.1
1981	3.1	0.6	281.6
1982	3.4	0.6	340.0
South Africa			
1977	9.1	8.6	87.1
1979	7.4	7.3	42.0
1981	11.2	11.2	54.6
1982	15.0	14.3	73.2
Other Africa			
1977	10.4	2.4	
1979	18.2	5.6	
1981	21.7	6.5	
1982	24.7	4.1	

* Includes both public and private sources of funding.

† estimated.

soft commodities (coffee, cocoa, sugar, and cotton), Africa is a primary supplier of strategic and precious metals (cobalt, chromium, tantalum, vanadium, manganese, platinum, and gold), for which the only real alternate source is the Soviet Union.

Furthermore, despite Africa's low profile as a major borrower on the capital markets, the continent has been a significant trading partner of the Organization for Economic Cooperation and Development (OECD). Between 1977 and 1982, Africa's share of total OECD exports averaged 5.9%, while its share of OECD imports amounted to an average 6.5%. Comparatively, in the same period, Latin America and Asia respectively averaged 5.8% and 6.9% of total OECD exports and 5.8% and 6.8% of OECD imports. Of the three regions, then, Africa ranks second, after Asia, in terms of OECD trade.

In addition, the impact of the recession — reduced world demand coupled with disadvantageous exchange rate movements — hit home earlier in Africa than it did in the other two regions. After increasing 31% in 1980, OECD imports from Africa fell 16% in 1981 and another 12% in 1982, while those from Asia and Latin America declined only 3.9% and 3.3%, respectively, in 1982. Last year, OECD exports to Africa fell by 15%, by 18.7% to Latin America, and by only 1% to Asia.

Only nine countries account for the bulk (about 80%) of total OECD trade with Africa, while "other Africa" has accounted for between 18-24% of OECD trade (see table). The concentration of OECD export and import markets in these nine countries is similar to that of external debt.

Total external debt is defined as total disbursed loans from commercial banks reporting to the Bank for International Settlements (BIS), and from multilateral, official agencies, such as the International Monetary Fund (IMF) and the World Bank. Figures include short-term credits as well as longer maturity loans. Africa's external debt since 1977 has more than doubled, but from year to year the increases have slowed. Of $55.5 billion in total external debt in 1977, 47%, or $26.1 billion, was held by seven North African countries — Algeria, Egypt, Libya, Mauritania, Morocco, Sudan, and Tunisia. Nigeria, Zaire, Ivory Coast, and Zambia held another $8.8 billion and South Africa $9.1 billion. By 1982, of the estimated $123 billion in total outstanding external debt, $56.95 billion or 46% was held by the seven North African countries, $23 billion by Nigeria, Zaire, Ivory Coast, and Zambia, and $15 billion by South Africa alone.

Between 1977 and 1982, the loans of commercial banks reporting to the BIS comprised an average 44% share of total outstanding loans in Africa, with the remainder owed to multilateral funding sources. From a breakdown of U.S. commercial bank lending to Africa for the 1977-1982 period, a clearer picture emerges not only of the distribution of commercial bank debt in the continent, but of the increasing share of short-term debt.

Since 1979, the short-term element has accelerated, climbing from a 44.7% share of total U.S. commercial bank debt to Africa to 67.5% in 1982. Meanwhile, the growth in U.S. commercial bank loans to Africa has decelerated markedly. But for increased loans to South Africa and Nigeria, an absolute decline would have been registered in outstanding U.S. bank loans in 1982. Although South Africa's share of U.S. commercial bank loans to the continent has been higher in the past, in 1982 it amounted to nearly one-third. The share of five North African borrowers in total U.S. bank lending to Africa peaked in 1979 when they held 47.6% of U.S. commercial bank loans. By 1982, their collective share fell to 29.6% in conjunction with a year-on-year 8% reduction in U.S. commercial loans to $3.4 billion. Nigeria's share of U.S. bank loans has made the most impressive jump — from 1.9% in 1977 to 16% in 1982 — exceeding that of "other Africa." The latter group's share has dropped since 1980, when it was 20%, to 15.6% in 1982. Nevertheless, the short-term portion of "other Africa's" U.S. commercial bank debt has grown, amounting to about two-thirds of its total U.S. commercial bank outstandings.

In examining the full scope of the global debt problem, one is struck with the ubiquitous evidence that LDC external debt has grown disproportionately faster than merchandise exports. In most cases, the latter have experienced negative growth since late 1981. As a consequence, the debt servicing capability of LDCs has been seriously impaired. For example, in Latin America the growth of external debt — reflecting patterns of commercial bank lending — exceeded 18% annually between 1979 and 1982, while merchandise exports grew only 9.2% a year during the same period.

Although the debt build-up in Africa has been especially rapid for some key countries — Nigeria, Egypt, Ivory Coast, and South Africa — the vast majority of African countries are not truly overindebted. In comparison with other LDCs, Africa's $123 billion total external debt at year-end 1982 represented about one-fifth of the $625 billion estimated for total outstandings to the developing world. There is considerable variation with respect to the structure, composition, maturity, and amounts of external debt worldwide and the relative need for debt relief, which warrants, in due fairness, that each country be dealt with individually.

However, certain common unfavorable economic trends can be discerned. Merchandise exports, particularly of primary commodities, with few exceptions, have not kept pace with the debt build-up of the late 1970s. Since 1980, commodity export receipts fell in both real and nominal terms because of the world recession and record low commodity prices. On the other side of the equation, imports adjusted downward too slowly compared to the recurrent lower export receipts. Also, net interest payments ballooned as a result of higher debt levels coupled with record-high interest rates in world cap-

Total U.S. Commercial Bank Outstandings in Africa

	1977			1979			1981			1982		
	Total ($bn)	% of which short term	Country Weight* (%)	Total ($bn)	% of which short term	Country Weight* (%)	Total ($bn)	% of which short term	Country Weight* (%)	Total ($bn)	% of which short term	Country Weight* (%)
Total Africa	6.6	42.6	100.0	7.6	44.7	100.0	10.2	64.9	100.0	11.6	67.5	100.0
Gabon	0.2	28.7	2.8	0.3	32.9	3.3	0.2	27.5	2.0	0.2	33.5	1.5
Ivory Coast	0.3	24.4	5.2	0.4	49.5	5.8	0.7	40.6	6.6	0.6	43.3	5.6
Nigeria	0.1	78.8	1.9	0.7	22.2	9.7	1.5	44.4	11.2	1.9	56.8	16.0
South Africa	2.3	52.1	34.4	1.4	58.9	17.8	2.7	83.8	26.7	3.7	84.1	31.8
North Africa	2.6	35.9	39.0	3.6	37.3	47.6	3.7	65.0	36.0	3.4	62.7	29.6
Algeria	1.5	20.9	23.3	1.8	22.0	23.5	1.4	39.4	13.3	1.2	41.4	10.7
Egypt	0.4	80.4	6.5	0.9	67.0	11.3	1.2	90.5	11.5	1.2	88.4	10.1
Libya	0.1	99.8	0.9	0.1	100.0	1.3	0.1	100.0	1.3	0.1	97.8	0.8
Morocco	0.5	13.9	7.0	0.7	34.6	8.6	0.8	67.8	8.0	0.8	52.7	6.5
Tunisia	0.1	40.8	1.4	0.2	26.2	2.9	0.2	53.5	1.8	0.2	65.2	1.5
Other Africa	1.1	51.5	16.6	1.5	54.4	15.7	1.8	62.6	17.5	1.8	65.6	15.6

* Country weight is borrowings from U.S. commercial banks as a percentage of total U.S. commercial bank loans to Africa.

ital markets. This, in turn, contributed to a marked deterioration of the combined current account deficit of the African countries, which was financed by additional borrowings. Therefore, it could be concluded that Africa's problem is more balance of payments-related than one of indebtedness per se.

As was mentioned earlier, the debt service ratio, because it does not address the prevalent problem of arrears, is an inadequate indicator for measuring liquidity. Instead, the debt-to-merchandise exports ratio (total debt divided by merchandise exports) is a more useful indicator for assessing the absolute debt burden of a country because it relates the stock of total debt (versus the flow of payments) to export income.

Africa's debt/export ratio amounted to a relatively modest 143% in 1982, up from 108% in 1981 and 99% in 1979. But the incidence of the sequence — liquidity squeeze, arrears accumulation, and finally debt renegotiations — has been very high for countries with debt/export ratios above 250%. For example, two countries that have exhibited debt/export ratios in excess of 250% since 1977 — Zaire and Sudan — have regularly renegotiated their debt. By year-end 1982, Zaire's total accumulation of rescheduled debt came to \$2.6 billion and Sudan's to \$1.1 billion.

However, although every country with a high debt/export ratio experienced either the first and/or second phases of the above sequence, a few (Egypt, Morocco, Ethiopia, etc.) have so far escaped debt reschedulings. Conversely, some countries with comparatively low debt/export ratios have been forced to reschedule, such as Nigeria, which renegotiated \$1.6 billion in short-term debt in early 1983.

Although helpful in easing liquidity problems arising from a bunching of debt service payments and in buying time for adjustment programs, as it was with Nigeria, restructurings, as they have been up to now, will not resolve the problems associated with excessive debt. Rather, they do not alleviate a country's overall indebtedness but merely postpone the burden. To ensure continued access to credit markets for countries experiencing debt servicing problems, it is of critical importance that debt/export ratios be brought down. African debt/export ratios can be reduced through a slowdown or reduction in debt accumulation, an expansion of exports, or both.

Although many countries in the continent have a high export growth potential, the meager growth prospects of 0.5% in 1983 and 1.5% in 1984 for the continent's major markets (the industrialized OECD countries) suggest that the African commodity export crisis may linger longer than was originally anticipated. Therefore, reduction of the ratio via a steady export recovery does not look probable in the near future.

The other and sole alternative is to rein in the overall level of debt, especially the short-term portion (original maturity of one year or less). As of the end of 1982, total short-term debt for the continent amounted to \$23.6 billion — 19.2% of the total outstanding debt or 42.6% of BIS-reported commercial bank debt. This compares with 1979's \$12.2 billion in short-term debt, equivalent to 14% of total outstandings or 31% of BIS-reported debt. That this short-term element owed to commercial banks greatly exceeds the customary three months' worth of merchandise imports indicates that much of the short-term debt, rather than being trade-related, was acquired for long-term balance of payments financing.

Victims of recession-induced export declines, LDCs face a dilemma: to ser-

OECD* Exports to and Imports from Africa (\$ billions)

	1977		1978		1979		1980		1981		1982	
	X	M	X	M	X	M	X	M	X	M	X	M
North Africa	17.86	18.38	19.96	19.53	24.47	30.15	30.30	41.58	34.78	36.69	29.59	30.49
Percent share of total OECD world trade	2.5	2.4	2.3	2.2	2.3	2.6	2.4	3.0	2.9	2.8	2.6	2.5
South of the Sahara	26.15	32.55	29.86	33.33	30.20	45.92	43.53	58.24	45.01	47.12	38.2	43.11
Ivory Coast	1.26	2.37	1.66	2.44	1.85	2.60	2.04	2.55	1.45	2.09	1.27	1.90
Kenya	0.83	0.91	1.18	0.73	1.04	0.77	1.51	0.81	1.12	0.63	0.88	0.60
Nigeria	7.87	10.90	8.64	9.69	6.89	16.84	12.27	23.84	13.86	17.22	10.11	15.21
South Africa	5.55	7.24	6.82	9.11	7.66	11.40	12.40	13.26	14.12	11.43	11.60	10.25
Percent share of total OECD world trade	2.2	2.8	2.1	2.5	1.7	2.8	2.3	3.0	2.7	2.4	2.1	2.3
Other Africa	10.64	11.13	11.56	11.36	12.76	14.31	15.31	17.78	14.46	15.75	14.34	15.15
Percent share of total OECD world trade	1.5	1.4	1.3	1.3	1.0	1.3	1.2	1.3	1.2	1.2	1.2	1.2
Total Africa	43.99	50.93	49.82	52.85	54.66	76.07	73.83	99.82	79.79	83.81	67.79	73.60
Percent share of total OECD world trade	6.1	6.6	5.8	5.9	5.2	6.7	6.0	7.3	6.5	6.5	5.9	6.0
Total Latin America	40.5	43.6	47.9	52.3	58.42	62.14	74.89	76.74	80.32	78.81	65.33	76.23
Percent share of total OECD world trade	5.6	5.7	5.6	5.9	5.55	5.4	6.0	5.6	6.6	6.1	5.7	6.3
Total Asia	42.5	49.5	58.3	56.9	71.46	76.14	86.77	93.94	89.94	95.61	89.08	91.87
Percent share of total OECD world trade	5.9	6.4	6.8	6.4	6.8	6.7	7.0	6.9	7.4	7.4	7.7	7.5

* Excluding Greece, Portugal, and Turkey.

vice their debt, they must expand their exports, but they cannot do so if financing, especially trade financing, dries up and if protectionism is not arrested. Solutions to the problem therefore ought to address the prospect of long-term economic growth in the LDCs and should not disrupt the international system of trade and payments. There is a pressing need to go beyond ad hoc crisis management and develop new mechanisms that would ensure a sufficient flow of funds to LDCs, because access to international bank funds is a sine qua non for such long-term gains. Most of the proposed solutions call for either short-term deflationary policies aimed at promoting balance of payments adjustments in LDCs or long-term expansionary, but inflationary, policies to be pursued by the OECD countries.

The drawbacks of these proposals are that they are disruptive to both borrowers and lenders and could lead instead to a worsening of the present crisis. The first would risk forcing excessive costs on borrowers, which would raise the odds of non-repayment of interest and principal; the second would destroy any incentive to lenders to continue to provide additional financing.

There are also some conflicting objectives that have to be ironed out. On the one hand, while LDCs are pressed to adjust growth expectations downward, they need to restore growth. On the other hand, commercial banks need to fully realize that their concentration of credit to certain countries ought to be reduced while new loans to others should be extended. The optimal strategy, therefore, calls for a delicate balancing of current account adjustments and additional financing needs. Leaning too far in one direction or the other may jeopardize the entire strategy. There are also dire political and social implications if too drastic cutbacks in living standards are imposed in line with any balance of payments program.

A sustained OECD recovery averaging at least 3-4% per annum in real terms for the rest of this decade may not be in the cards, at least not in the near future. But even allowing for the successful attainment of such growth in the longer run, there is still the question of financing. Most LDCs, especially in Africa, may take a good portion of the rest of this decade to regain regular access to credit markets. This means that incentives to lenders are needed in order to assure that adequate financing to LDCs is forthcoming in the interim. Secondly, a mechanism must be found for substituting commercial bank financing with cheaper nonbank sources of finance. This would put an end to the recent practice of financing capital goods imports via short-term commercial credits.

The International Monetary Fund is, for lack of any other adequate international financial institution, indispensable to this plan. The increase in the IMF's quotas is of vital importance to the welfare of the world financial system. Stabilization packages, taking into account not only the immediate need for funds but also the projection of long-term sources and uses of funding, should be less onerous than those in the past, and they should be spread over a longer period of time.

This strategy, which would depressurize the debt/export ratio, calls for a stretching out of LDC debt via a partial conversion into long-term bonds to be guaranteed by the IMF. It aims at synchronizing LDC debt service payments with the borrowers' realistic ability to pay, and, concurrently, at giving a badly needed infusion of new funds for productive purposes. The IMF would have an advisory role with the power to ensure that borrowers adjust their policies to a long-term structural adjustment scheme, which would proceed as follows:

- Banks would sell a portion of their LDC debt to a multilateral institution, such as the IMF. Parenthetically, trade debts should be excluded to ensure that countries have continued access to trade finance. In the shakiest cases, these could be backed by the issuance of IMF guarantees; but these guarantees would be less than 100% in order to insure sound lending by banks.
- The IMF would pay for such acquisitions with long-term bonds that would be issued at face value, denominated in special drawing rights (SDRs) (to minimize undue currency fluctuations) and with maturities matching the debtors' ability to pay.
- Payments of interest and principal by the debtors would then be made to the IMF, which, in turn, would use the funds to retire the bonds.

Although the scope of IMF activities would have to be radically modified and its resources substantially expanded, the prospects of LDCs recovering from the economic malaise that has been particularly acute since 1980 would be realistically improved. Further, LDCs would be able to realistically cope with their debt burdens. The fundamental challenge is to ensure long-term growth for LDCs. A vital component of such growth is continued access to international bank credits, the denial of which would trigger a chain of loan write-offs that could shatter bank confidence in LDCs for years to come. The scheme would enable banks to reduce their exposure — particularly that immobilized portion on their balance sheets — so that fresh loans, especially those for development projects, could be disbursed. Banks' balance sheets would be improved; the countries' exports would recover markedly; ultimately, the debt/export ratio would be brought down to realistic levels. Moreover, there would be no loss of trust that could result in the closure of trade-related credit lines.

The debt situation in Africa arose largely from external factors. Nevertheless, domestic factors have also shaped unfavorable perceptions of some countries' creditworthiness. Aside from natural disasters, political instability, mismanagement, and corruption have certainly played on fears of lending to a number of countries on the continent.

Ultimately, it must be seen, however, that the risk of withholding new loans to borrowers requiring balance of payments assistance exceeds that of granting new disbursements. The vicious cycle of rescheduling can actually be prolonged by the reticence of Euromarket loans that is evident today. The plan delineated above, together with the implementation of modified adjustment policies that do not thwart growth altogether, are suggested as a plausible means of alleviating problems associated with debt in Africa. However, sovereign borrowers themselves must also adopt domestic policies that would counteract criticisms that have discouraged lending. □

Toward a Food Strategy for Africa

BY MAURICE J. WILLIAMS

Africa's deteriorating food situation threatens the very survival of some African nations. It undermines their economic, social, and political systems and causes great human suffering. Over the past two decades, the food situation has rapidly deteriorated from earlier food self-sufficiency to presently increasing food deficits. The decline in per capita food production accelerated from 7% in the 1960s to 15% in the 1970s. In an effort to stem growing supply deficits, African nations doubled their cereal imports to about 24 million tons — of which 9 million tons went to sub-Saharan Africa — in the short period from 1975 to 1980. Rising cereal imports increased Africa's aggregate cereal import bill tenfold during the 1970s and brought it to $5.6 billion in 1981. In 1979 and 1980, the cereal import bills of sub-Saharan Africa averaged almost 30% of their agricultural export earnings, and in some countries accounted for almost all of those earnings. In the 1980s, the need for food imports will continue to increase.

The effects of world recession on the fragile economies of Africa's low-income countries further constrain the solution to food problems. Deteriorating foreign exchange earnings and declining real incomes severely strain the capacity of Africa's poorest nations to expand investment in their food sectors and to finance cereal imports essential to maintain current levels of consumption, already grossly inadequate. With Africa's aggregate external account deficit rising more than five times in the 1970s, reaching $8 billion in 1980, the region has become increasingly dependent on foreign aid. Sub-Saharan countries, with 15% of the population of developing countries, now receive almost a quarter of all official development assistance (ODA). This equals about 8% of their combined gross national product (GNP), almost 40% of their current imports, and over 50% of their investments.

With growing food import requirements, food aid has become an increasingly important resource. In the period 1977 to 1979, it represented 35% of ODA from members of the Organization for Economic Cooperation and Development (OECD) directed to food and agriculture in Africa, and the percentage was still higher in 1981. Forty percent of total U.S. economic assistance to Africa in the 1970s was in the form of food aid. Africa has now replaced Asia as the world's principal recipient of food aid, currently receiving some 50% — about 4.3 million tons — of all cereal food aid, against 5-6% in the 1960s and early 1970s. Sub-Saharan Africa's share of total food aid to the developing countries has sharply risen to 2.2 million tons.

Africa's wheat and flour market, with an annual growth of 10%, has become the fastest growing in the world. This trend for sub-Saharan Africa, which is not ecologically a wheat region, compounds import dependency, changes food habits, and discourages production of indigenous staple foods. Commercial food imports and food aid have only partly met the growing pro-

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duction shortfall. It is a tragic paradox that increased hunger and malnutrition are closing the widening food-population gap in a continent with immense agricultural potential.

The challenge for Africa is to push food production ahead of what is the fastest population growth in the developing world. Present population growth rates approach 3% per annum, and 4% in some countries, with no prospect in sight of leveling off for the 1980s. Urban growth, averaging 8.5% in 35 sub-Saharan capitals, intensifies the demands on the food sector. By the turn of the century, Africa will have to feed over 800 million people, about twice as many as today. Even with greatly accelerated food production, many countries will require special measures to slow down the population growth and urban migration.

FOOD POLICY REFORM

The imperative for food policy reform is sharply perceived in Africa, as evidenced by the Lagos Plan of Action and the widespread adoption of food strategies. However, action to deal fundamentally with food problems in many cases has been postponed and now must be faced. Pressing food requirements are being met largely by short-term expedients, which increase food-import dependency and hamper the policy adjustments needed to break the spiral of growing food deficits and hunger in the mid- to longer term. The key priority areas for policy change in much of Africa are basically accepted. But building the bridge between recognition of problems and the policy measures required for their solution raises complex issues of political feasibility and implementation capacity specific to each country.

Many African countries are still without an explicit food policy, the adoption of which entails a good deal of uncertainty. The inevitable time lag while policy changes are implemented and bear fruit is a long one, involving significant political and economic costs. Clearly, decisive action from governments is required — for the costs of inaction over time are likely to be even higher. In many cases, governments need special assistance for the difficult process of policy transition. This often involves increased assistance, with assurance of its continuity, and enhanced confidence in cooperative relations among development partners. National food strategies provide a concrete means for nations to work towards these objectives.

Thirty African countries are now engaged in food strategy reviews; 11 have completed their first reviews and are ready to begin implementation. To varying degrees, these strategies promise to serve as catalysts for sound policy change and for broadening development cooperation. But they can be no better than the policy formulation, confidence, stepped-up resources, and priority implementation they are intended to encourage. To realize this potential is the challenge for African nations as well as for the developed countries and international agencies that seek to help them.

Photo: Yosef Hadar/World Bank

Farmers buying fertilizer: Access to inputs and technology must be improved

PRIORITIES FOR POLICY CHANGE

The food strategy reviews now under way are both an expression of African governments' concern for policy change and an indication of what governments are prepared to undertake in order to implement their Lagos Plan commitments in the food sector. There is little disagreement on the need for improved incentive structures for food production. Farm prices below production costs, overvalued exchange rates favoring imported foods, and direct taxation have done much to erode the economic basis of rural areas and to increase national food-import dependency. Parastatal institutions have, in many countries, grown into monopolies controlling agricultural input and output as well as marketing and processing. Faced with continuing budget deficits and substantial marketing losses and often providing ineffective services, parastatals have in many instances indirectly helped the creation of a "submerged economy" of private traders and farmers operating on parallel unofficial markets, both domestic and export, thereby contributing to food deficits and prompting food aid requests even in bumper harvest years. Lack of storage capacity, the centralization of stocks in urban centers, and management problems have further aggravated food insecurity. With the worsening of the food situation, governments have tended to reinforce rather than relax the institutional structures of state intervention.

Among the options for policy change, an incentive policy package combining higher producer prices, more open and more competitive markets, and improved storage infrastructure and management is therefore likely to offer the highest returns in a relatively short time. Such a package would probably contribute more to domestic food self-reliance than an infusion of crash food production projects — now widespread in Africa — which risk faltering in the absence of sound policies. In some cases, improved incentives for farmers need not mean price increases for consumers, but rather adoption of measures for ensuring that farmers get a better share of the income from farm sales relative to the take of middlemen operators and speculators. Where overall price increases are necessary, they may have to include provisions to protect low-income consumers and expand their effective demand for food. Appropriate incentives for farm producers while protecting low-income consumers — that is the heart of a food strategy.

Mali's strategy is one of the more comprehensive beginnings in this direction. The restructuring of the country's cereal sector includes increases in farm prices — for many years below production costs — of 75-100% over five years, with the impact of these prices on consumers being cushioned by subsidies to be phased out gradually. The abolition of the trade monopoly of the parastatal grains authority, the Office des Produits Agricoles du Mali (OPAM), will assist in making the cereal market more competitive and should, together with the increased producer prices, reduce unofficial "green border" trade. Implementation is still at an early stage, but a sharper focus on market stabilization operations is expected to improve OPAM's efficiency. Similar efforts, although on a more limited scale, are under way in Upper Volta, Mauritania, and Niger. Mauritania in particular plans to stimulate the production and consumption of local foods by taxing food imports and phasing out free or heavily subsidized food programs largely dependent on food aid. Other countries are proceeding more cautiously. Tanzania's food strategy envisages changes in price and institutional structures, but the actual policy package in support of these objectives has yet to be put together. In the Gambia, the identification of policy options appears to hinge on further policy analysis.

As experience in Malawi, Kenya, Zimbabwe, and other countries has demonstrated, smallholders respond to economic incentives with significant production increases, provided they have access to markets, services, and improved cultivation technology. A small-farm pattern of agricultural development can be a powerful engine of overall growth, through maximizing farm-industry-commercial complementarities and expanding employment opportunities, output, and effective demand in villages. But despite past emphasis on smallholder programs, their implementation has lagged well behind the potential. Most African food strategies seek to narrow this gap. To be successful, smallholder programs must strive for greater coverage, with simpler low-cost production and service packages. They should also give greater emphasis to the production of indigenous foods, such as millet, sorghum, white maize, cassava, and yams, which are economically more accessible to low-income people.

Countries with rapidly growing urban demand for food face a formidable challenge in the attempt to accelerate smallholder production to meet this need. Reliance on the modern commercial farm sector or recourse to state farms to close the rising food gap is sometimes a tempting alternative. Zambia, for example, is considering heavy investments in state farms in support of the existing commercial farm sector, which already produces an estimated 40% of the marketed maize with only some 400 farmers. The economic and social cost of such a strategy could be high if it is not accompanied by policies directed to increased food production by the country's over half-a-million smallholders living at subsistence levels.

Zambia's present food strategy review therefore seeks to find the right policy mix for accelerated production in both the commercial and traditional sectors. In contrast, Nigeria's food strategy places more emphasis "on the Nigerian smallholder as the centerpiece of incremental food production . . . and minimum reliance on government companies and parastatals in direct production and distribution of food."

Photo: Yosef Hadar/World Bank

Field plowing in Nigeria: Smallholders respond to economic incentives with production increases

RESEARCH AND TECHNOLOGY TO MEET AFRICAN NEEDS

Progress in smallholder food production has been significantly constrained by the absence of technology packages adaptable to African needs. Asia's "Green Revolution" technology has applied to high-yielding varieties of wheat and rice — crops not widely grown in sub-Saharan Africa.

This technology relies heavily on irrigation, which is relatively scarce in sub-Saharan Africa, where less than 5% of arable land is irrigated. There is need for significantly greater attention and resource allocations to research on dry-land farming systems, focusing on Africa's indigenous food crops and livestock. Kenya, Rwanda, and Nigeria, among others, have built into their strategies small-farmer, food-oriented research programs along these lines. Still, an expanded research program must be viewed over a long time-frame; problems such as low soil fertility and livestock diseases cannot be resolved through a series of short-term, ad hoc research projects.

The development of irrigation will be of increasing importance in African food efforts. Economic and social considerations suggest that policies focusing on the development of smallholder irrigation, emphasizing development of ground water with small pumps, are most appropriate. In Senegal, for example, development costs for smallholder irrigation are significantly below the more than $10,000 per hectare spent on large-scale projects in countries such as Niger, Mauritania, and Nigeria.

THE OBJECTIVE OF INCREASED FOOD SELF-SUFFICIENCY

In line with the Lagos Plan, the objective of most national strategies is the attainment of self-sufficiency in cereals, livestock, and fishery products. Since the achievement of this objective depends on food sector investments, the funds for which are partly earned with agricultural cash crop exports, the question of the right blend of food production, commercial and concessional food imports, and cash crop production is a central and complex issue. Recent debate has tended to oversimplify the problem by dichotomizing it into a choice between food crops or cash crops. Such debate ignores both the complexity of African farming systems and the complementarity of rotating food and cash crops or intercropping in many African countries.

In any event, there may be need to strike a better balance between cash and food crops. For sub-Saharan Africa as a whole, food exports exceed food imports, excluding food aid. Some countries may be so integrated in providing exports that, in terms of price structures and managerial and infrastructural investment already in place, they find it difficult to shift priorities without international support.

Despite its importance, the issue has yet to be thoroughly analyzed in most food strategies. Mali's strategy gives priority to food crop production, on the grounds of unreliable world market prices. Rwanda seeks to balance cash and food crop production, although resource allocation priorities seem to favor the latter. In other cases, priorities and the implications of cash and food crop choices are less clear.

The concept of national food self-sufficiency must include programs that provide opportunities for all people to have access to an adequate diet. The Lagos Plan specifically recommends that "food self-sufficiency should ... solve simultaneously the problems of undernutrition and malnutrition." In emphasizing self-sufficiency, present strategies take a first step toward linking food consumption with production policies, rather than with import policies as in the past. Beyond specific smallholder programs and overall efforts to improve rural living conditions and promote income-enhancing policies, present food strategies generally do not yet seem to provide for direct food-consumption and nutrition policies or programs to alleviate hunger in the short- and medium-term. In fact, the overly fragmented approach that has characterized food efforts in the past is also characteristic of consumption interventions and nutrition programs. Many of these are supported by food aid.

In the context of related consumption and production issues, the importance of women as food producers and processors must be stressed. Women account for 60-80% of the agricultural labor force in Africa. They have almost sole control over family nutrition. Food strategies, which are generally prepared by men, should directly address the issue of whether policies and rural services adequately reflect the role of women in food and nutrition, or whether there is policy bias towards male farmers, who are mainly engaged in cash crops.

FOOD STRATEGY IMPLEMENTATION AND POLICY DIALOGUE

As a result of the present round of food strategy reviews, African governments have taken an important step towards implementing their commitment to higher priority for food. Broad food objectives have been laid down; major policy options have been identified. But much more remains to be done. Most strategies have yet to build the bridge between policy objectives and the capacity and means for their implementation.

At this juncture, three questions are critical. How do African countries mobilize internal support for food strategy implementation? How do they relate policy objectives to implementation capacity? And how does the international aid community — accustomed to negotiating project aid — respond to the shift towards a policy emphasis by African nations? On the first question the experience in Kenya illustrates one approach. The national food policy review launched on the instructions of President Daniel arap Moi when the country faced a serious food shortage in 1980 was made the subject of national discussion. The debate among politicians, high-level administrators, the farming community, and the private sector extended to provinces, districts, and villages. This truly national dialogue reflected the government's conviction that food production and the attainment of food self-sufficiency must be the responsibility of society as a whole.

In translating their food objectives and policies into specific programs and projects, most countries have yet to assess the institutional and managerial implications for strategy implementation. This aspect has been given surprisingly little attention so far, even though it is the crux of the strategy effort.

Africa is critically short of managerial and technical capacity. There is an urgent need for training in food and agricultural policy, programming, technical services, and administration. Institutional structures need to be adjusted to the demands of food policy management. Technical assistance in this field must be given high priority, to ensure the effective use of other forms of aid. The feasibility of strengthening both food policy and management training should be explored, with emphasis on existing African institutions.

In the meantime, policy objectives need to be carefully adjusted to existing implementation capacity. Failure to do so could mean a serious setback in African governments' efforts to set a process of change in motion.

The shift towards greater emphasis on policy formulation and change requires special efforts from all development partners involved: African governments, bilateral and multilateral development agencies, and nongovernmental organizations. The core of these efforts is a better understanding and dialogue among development partners.

African governments face considerable organizational inertia and resistance to change. Overcoming these obstacles requires political courage and commitment. Assistance agencies can facilitate the process of change by helping to minimize the risks involved and easing the transition period. This process requires, in the first instance, improved understanding by assistance agencies of the political, social, and economic environment in which African decision making takes place. In the conventional project-oriented approach to cooperation, aid decisions have often been made on relatively narrow criteria — often reflecting as much the established philosophy and interests of assistance agencies as those of recipient countries — thereby contributing to development patterns that are not always conducive to the solution of food and hunger problems.


Photo: U.S. AID

Improvements in irrigation techniques could greatly increase agricultural yields

Improved understanding is the basis for meaningful policy dialogue among development partners, requiring common understanding of the necessary policies and programs and the means for their implementation. Means already exist for facilitating such dialogue. The World Bank, for example, convenes country consultative groups. These meetings provide an opportunity for candid discussions between the donors and senior officials of the recipient country. The bank is putting increased emphasis on the need for improved economic policies essential to the success of its projects. In addition, the bank is placing more priority on Africa's food and development problems.

World Bank estimates suggest the need for a doubling of financial aid to the oil-importing countries of sub-Saharan Africa, from the $4.7 billion of 1980 to $9 billion in 1990, together with policy measures to achieve an annual growth rate in per capita income of about 2%. Indicative of this higher priority is an increase to 10 of the number of country consultative groups sponsored by the bank in Africa. The round-table meetings of assistance agencies and developing countries, sponsored by the United Nations Development Programme, also have a potential for policy dialogue. The programming missions of the International Fund for Agricultural Development have contributed to meaningful policy discussions in some countries. On a regional basis, candid reviews of policies have been taking place among the members of the Permanent Inter-State Committee for Drought Control in the Sahelian Zone and the Club du Sahel. And there is tangible encouragement for policy reviews with World Food Council–sponsored food strategies. These initiatives need to be followed up with greater continuity and more depth of understanding. Generally, doing so would include strengthening, in food and development policy experience, assistance agency staff capabilities, especially in developing countries.

Policy decisions are, of course, the prerogative of sovereign nations, and external advice is necessarily limited by outside perceptions of country problems and the means for their solution. Thus, approaches to policy dialogue have to be pursued with extreme care, in a spirit of genuine cooperation and partnership in the common cause of development. In no circumstances should aid be conditional on policy dialogue. Recipient countries must be free to accept or reject outside advice, without fear of donor sanctions. It is only in this manner that the right aid can be assured. Similarly, the increased focus on policies for longer-term development must not divert attention from the immediate humanitarian objectives of international cooperation, in the case of either acute emergencies or more direct measures to ameliorate endemic hunger. This is particularly important for some of the poorest African countries. Policy reviews and improved understanding of needs are only the beginning of complex changes in cooperative relations. These entail adjustments in assistance policies in terms of aid continuity, level of aid, integration of various forms of assistance, and greater flexibility in their deployment to respond to the dynamics of change in the recipient country. Also required are improvements in coordination at the operational level.

Working toward the achievement of African food objectives requires a substantially new approach to development cooperation, involving closer dialogue among development partners and concomitant improvements in assistance operations. Food strategies provide a unique means for the improvement of cooperative relations on a broader development scale among African governments, their farming communities, other private sector enterprises, and external sources of assistance, public and private. A beginning has been made in the current food strategy and policy reviews to help developing countries make some of the necessary adjustments for overcoming their food problems, but the full potential has yet to be realized. □

AFRICAN UPDATE

Monitoring economic and political developments around the Continent

September-October 1983

The war in Chad: Personal conflict draws foreign intervention

Chad is an unlikely focus for the attention of the world. A vast desert, it is the poorest nation on the poorest continent. Its 1981 GNP amounted to only $500 million, a mere $110 per capita. Uranium, gold, and other minerals are "believed" to exist, but none have ever been extracted. Any potential exports would have to travel almost 1000 miles to reach the sea, but there are no railways and virtually no roads. Less than three percent of its land area can produce food. No country in equatorial Africa has a less developed industrial base than Chad.

Yet France has recently dispatched 700 paratroopers to act as military advisers in support of the government forces of President Hissène Habré against the Libyan-backed insurgents of Goukouni Woddeye. The U.S. has promised $25 million in military aid, supplied defensive weapons with advisers, and provided transport for Zairean troops rushed in to aid Habré.

Habré and Goukouni are Moslems from the north and former allies in the long civil war against rule by non-Moslems from the southern part of Chad, but they are now fighting each other in a bitter and very personal war.

It is difficult to discern any ideological difference between the two men or, for that matter, any ideology at all. What seems to be at the root of their long blood feud is the simple fact that the Chadian political arena is too small to accommodate their combined ambition.

In their quest for power, both men have proven themselves cynical and ruthless. Goukouni exchanged the Aouzou Strip, his country's sole potential source of wealth, for Libyan support in his struggle. He has refused repeatedly to negotiate with Habré, saying instead that he would fight Habré to the finish.

In his battle against southern forces, Habré massacred thousands of civilians. Once he held a French archeologist hostage for 17 months, tortured and executed a French army officer sent to secure her release, exacted a ransom of cash and equipment, and proceeded to hold her for another year and a half.

For each of the two men, the ultimate sacrifice may have been cooperation with the other. In 1978, their combined armies advanced southward against the government troops of President Félix Malloum. The government negotiated a cease fire, but two months later the rebels sensed victory, violated the agreement, and pushed farther south. Malloum pleaded for assistance, and several thousand French troops intervened. The French, suffering heavy casualties, pressed Malloum to take Habré into his government to mediate the struggle. Habré became prime minister, but the fighting did not stop.

In early 1979, Habré overthrew Malloum with Goukouni's help and then invited Goukouni and the leaders of other rebel factions to form a coalition government. In September, 1979, Goukouni became president and Habré assumed the powerful post of minister of defense. Each man retained a personal army of several thousand soldiers.

In April, 1980, Goukouni accused Habré of disloyalty and expelled him from the cabinet. Habré struck back in open revolt, forcing Goukouni to ask for Libyan military assistance.

It was not the first time Goukouni had sought help from Muammar

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Upper Volta coup follows army rebellion

In early August, former Prime Minister Capt. Thomas Sankara, who had been purged from the cabinet and detained since May, overthrew the government of President Jean-Baptiste Ouédraogo. The coup took place in the capital of Ouagadougou on the eve of Upper Volta's independence holiday. Witnesses said that mortars and other weapons were fired during the quick takeover of the city's center, in which 13 people were killed and 15 wounded.

Announcing the formation of his government, the National Council of the Revolution (CNR), Sankara ordered that all political parties be disbanded. He added that the new government would not serve "the interests of foreign domination and neo-colonialism" as Ouédraogo's "regime of submission and humiliation" had done. Sankara pledged that the CNR would honor Upper Volta's commitments to other states. Although Western press reports have called Sankara "pro-Libyan," he has insisted that his government will be non-aligned. To give credence to this stated position, he turned back a Libyan airlift of equipment.

The coup did not come entirely as a surprise. There had long been a power struggle between the conservative, basically pro-Western Ouédraogo and the more radical Sankara. Observers believe that although Ouédraogo was popular among ranking officers in the Voltaic army, Sankara had broader support among the enlisted men.

Since the end of May, the strategic outpost of Pô, which commands the main highway linking Upper Volta with Ghana, had been the

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CHAD *continued*

Qaddafy. In 1975, in exchange for recognition of Libya's claim to sovereignty over the Aouzou Strip, Qaddafy supplied Goukouni with money and equipment to use in fighting the southern-led government. It was this "traitorous action" that caused the initial split between Habré and Goukouni.

Yet Qaddafy and Goukouni were never comfortable with their alliance. Goukouni's forces had clashed repeatedly with the army of Acyl Ahmat, another northern rebel commander who was clearly Qaddafy's favorite. In 1978, and again in 1981, fighting broke out between the factions of Goukouni and Acyl. In the second clash, Libya interceded militarily on Acyl's behalf.

Still, Libya was willing to support Goukouni in 1980 when the survival of his government was threatened by Habré. Qaddafy's troops occupied the country from December 1980 until November 1981, keeping Habré's forces out of Ndjamena.

But Goukouni remained suspicious of Qaddafy, and he turned to France for military and economic assistance in 1981. The French readily agreed to help Goukouni, on the sole condition that he ask the Libyans to leave Chad.

With the promise of French aid behind him, Goukouni asked Qaddafy to coordinate the Libyan withdrawal with the arrival of an OAU peace-keeping force. But a furious Qaddafy, feeling that he had been double-crossed, withdrew his forces in extraordinary haste. Qaddafy also closed the Libyan bank in Ndjamena and suspended all negotiations on further economic and military assistance to Chad.

Qaddafy's spiteful withdrawal was deliberately timed to leave Goukouni defenseless against Habré. The OAU peacekeeping force was rushed in, only to stand idly by while African leaders debated whether the multinational force should participate actively in the fighting or serve merely as a deterrent to Habré's advance. They did neither. The OAU troops left Chad not long after they arrived, and Ndjamena fell to Habré's army on June 7, 1982. Habré was again in power, and Goukouni was again the rebel.

Asked who has made the better leader in Chad, an American diplomat said that Goukouni had been "fundamentally inept and indecisive . . . He tended to listen to the last person who gave him advice." He credited Habré with reconciling the military factions in his government and regaining the trust of the southerners despite the atrocities his army had committed against them.

During the course of the conflict, Libya, France, and the United States have switched allegiances from one rebel to another several times. Qaddafy's policy is the clearest. He wants recognition of his sovereignty over the Aouzou Strip, which borders on southern Libya and is believed to contain uranium deposits. Qaddafy's claim to the strip is, ironically, based on a 1935 treaty between France and fascist Italy. The treaty is not recognized internationally, and therefore the Libyan leader has consistently supported whichever Chadian rebel he felt was most likely to endorse his claim. Since the accidental death in 1982 of Acyl Ahmat, who was Qaddafy's true favorite, the Libyan leader has split his allegiance between Goukouni and the southern rebel Wadal Kamougué, a strategy which has weakened both Goukouni and Habré.

While Qaddafy has tended to support whoever was not in power, France has consistently supported whoever was. The French backed Malloum against Habré and Goukouni. Then they supported Goukouni against Habré. Now they support Habré against Goukouni. Ironically, France is also Libya's second-largest arms supplier.

The French position has been complicated by internal politics. Historically, the French defense ministry has preferred Habré, while the ministry of cooperation and development has backed southern leaders, and the Elysée has supported Goukouni. None of this support, however, has been enthusiastic.

Over the years, the French have had little choice but to support the man in power at the time. In the most recent fighting, the leaders of surrounding Francophone states have been pressuring France to support Habré, whom they see as a fellow enemy of Libyan "neo-colonialism." Therefore, despite domestic protest from his Socialist Party, President Mitterrand has supported Habré in the latest fighting.

The United States has had one criterion of allegiance throughout the entire history of the conflict: American support has gone to forces opposed to Libya. Although the Reagan administration favored Habré, it resumed diplomatic relations with Goukouni immediately

COUP *continued*

headquarters of a rebel group demanding Sankara's release from custody. A close friend of Sankara, Captain Blaise Compaoré, led a bloodless takeover of the outpost, where large stores of armaments recently shipped from Libya were stockpiled. Although protracted negotiations with the government led to Sankara's release, Compaoré and about 150 soldiers loyal to Sankara remained entrenched at Pô throughout June and July.

Declaring that the government "leaves us no other means than our guns with which to defend our ideas," Compaoré nevertheless added, "we will never take the initiative and be the first to fire upon a Voltaic soldier." The rebels had evidently hoped to force Ouédraogo either to attack Pô — which might provoke an all-out civil war — or to negotiate the restoration of Sankara into the cabinet. While the government was remaining largely silent to avoid lending credibility to the revolt, the rebels sought to broaden their support among the people by means of propaganda broadcasts. The rebel messages were aired at the same time and frequency as Tripoli radio.

It is not yet clear whether the rebels in Pô were among the "Sankaristes" who led the coup, but there is little doubt that their long and shrewd rebellion had set the stage for the overthrow of the Ouédraogo government. (*New York Times*, August 6, 1983; Ouagadougou Radio, August 5, 1983; *New York Post*, August 5, 1983; *Afrique-Asie*, July 18, 1983.) □

after he expelled the Libyans in late 1981. The Americans subsidized the OAU peacekeeping force, which replaced Qaddafy's troops. At the same time, Egyptian and Sudanese assistance to Habré was funded and encouraged by the U.S.

In tactical terms, the American aid sent so far to Habré has been of limited value. An American diplomat familiar with the Chadian conflict commented that the U.S. has made only a "superficial commitment," merely "posturing to get the French to take a position that the U.S. won't." "The real work," he added, "will be done by the French."

Reagan administration officials have conceded that Chad is of little economic or geopolitical significance, and it is clear that the U.S. policy is directed against Qaddafy rather than toward Chad. The policy is based on the assumption that the war in Chad is between pro-Libyan and anti-Libyan forces, but the history of the conflict reveals that Goukouni's relations with Libya have always been fickle and transitory.

A senior American diplomat who once served in Chad commented that "The Libyan question is just nuance. Goukouni is by no means a Libyan puppet."

Goukouni has again resorted to Libyan aid to wage his war against Habré, and Habré has succeeded in attracting Western assistance. By shifting their alliances and by refusing all negotiation, the two men have expanded their private war into a dangerous international conflict. □

Rawlings' misFortune

The American press has never been recognized for its accuracy in reporting on African affairs, and some critics have even claimed that there is a Western conspiracy of deliberate disregard for the facts concerning Africa. The critics received some more ammunition when *Fortune* magazine, in its July 25th issue, described Jerry Rawlings as "a repressive left-winger—whose accomplishments include dramatic seaside executions of his predecessors, the establishment of people's tribunals to replace the country's traditional court system, cuddling up to Muammar Qaddafy, and proposing to emulate Fidel Castro."

The glib references to Castro and Qaddafy notwithstanding, it was brought to the attention of the *Fortune* editors that the "seaside executions" took place not in Ghana but in Liberia, and that the verdict was not yet in on the people's tribunals. As it turns out, Rawlings played no part in establishing the tribunals and was later responsible for dismantling them (see Ghana, this page). As for the seaside executions, *Fortune* stood by their story, adding that "something similar to our description may have happened in Liberia."

• The July 22 issue of the *National Review* carried a story entitled "Divided We Stand," which purported to summarize this year's OAU summit. The article reported that a previous attempt at convening the OAU had "fizzled in November over the issue of who should represent Sudan." The controversy in November concerned the official representation not of Sudan but of Chad.

WESTERN AFRICA

Cape Verde

• Earlier this year, the African Party for the Independence of Cape Verde (PAICV) held its second national congress. The meeting of Cape Verde's only political party was chaired by President Aristides Pereira. The congress re-elected Pereira as secretary-general of the party, and discussed such issues as manpower development, labor unions, and the continuing drought. The party endorsed Pereira's recent program of land redistribution and agreed with his refusal to allow the establishment of foreign military bases in Cape Verde. (*Afrique-Asie*, July 18, 1983.)

The Gambia

• In mid-June, Sir Alieu Sulayman Jack resigned as speaker of the Gambia's house of representatives following allegations of impropriety. The resignation is now a part of what is being called **"the Jack Affair,"** a tangled web of rumors, accusations, and innuendo which monopolized the attention of the Gambia during June and July.

Jack was accused of trying to bribe a member of the opposition National Convention Party (NCP) to raise questions which would embarrass the government and the Minister of Justice in particular. The accusation led to rumors of a larger conspiracy to sow discord among the Gambia's major ethnic groups in order to bring down the government. Though the charges were never substantiated, Jack was forced to resign after being told that he would be fired if he did not. Momodou B. N'Jie was unanimously elected as his successor by the Gambian house of representatives.

In late June, 13 more people were arrested in connection with the 1981 abortive coup, bringing the total number to 73. (*Africa Now*, July 1983; *West Africa*, July 4 and 11, 1983.)

Ghana

• Eight army personnel have appeared before a public tribunal for taking part in the mid-June attempted coup in Ghana. Lance Cpl. Samson Darkwa, Sgt. Charles Forfie, Cpl. Kwesi Derbrah, Pvt. Samuel K. Amponsah-Dadzie, Maj. Samuel Boateng Okyere, and ex-warrant officer Joseph Osae-Kwakye pleaded not guilty at the proceedings. Retired officers Capt. Edward Adeji-Impofo and Lieut. Col. Ekow Dennis are being tried in absentia.

The coup attempt, the fourth in nine months, centered on an attempt to gain control of the Ghana Broadcasting Corporation building. The battle left 26 rebels dead and was reminiscent of Flight Lieut. Jerry Rawlings' June 1979 coup, when the broadcast building was the site of that coup's bloodiest battle.

Students have also challenged the Rawlings government. Though the universities have been closed since May, the National Union of Ghana

Students (NUGS) has retained a strong voice in the national opposition. Along with the Ghanaian Bar Association, NUGS has repeatedly called for the resignation of the ruling Provisional National Defense Council (PNDC) and a transfer of power to the chief justice of the Supreme Court.

The growing dissatisfaction of these groups was intensified in early June by the refusal of Attorney General G.E.K. Aikins to prosecute Ghana's security chief, Kojo Tsikata, a close friend of Rawlings, for the 1982 murder of three Ghanaian judges and a retired military officer. The murders have been an important issue in Ghanaian politics this year, and some groups have pointed to the trial delays as evidence of government complicity in the killings.

A special investigative board headed by Chief Justice Samuel Crabbe implicated Tsikata in the murders based on the testimony of a soldier who confessed to being involved in the crime. The soldier claimed that Tsikata sent a coded message ordering the killings. The attorney general refused to act on this evidence, calling it third-hand and inadmissible.

Even supporters of the PNDC have acted independently of the national government by attempting to initiate their own national policies. Fearful that the Supreme Court posed a threat to the PNDC, the Workers' Defense Committees (WDCs) unilaterally disbanded the judicial council and dismissed all national judges two days after the attempted coup. The WDCs proposed to replace the court system with a people's tribunal consisting of working class and PNDC representatives. This action, reported in the world press as a fait accompli, was in fact nullified by the PNDC several days later. Ghana's attorney general, speaking on behalf of the PNDC, said that the judicial system remained unchanged.

Some days later, Mawuse Dake, who is both secretary of the National Defense Committee and a member of the judicial council, cautioned the WDCs that while the will of the people was to be followed, proper national procedures had to be maintained. Actions of such magnitude could only be implemented by the PNDC. (Kenya *Sunday Nation*, July 24, 1983; *West Africa*, July 4 and 18, 1983; London *Times*, June 27, 1983; Accra Radio, June 25 and 27, 1983; London *Guardian*, June 2 and 17, 1983; Ghana *Echo*, May 29, 1983.)

Guinea

• The announcement that the 1984 OAU summit conference will convene in Guinea was overshadowed by allegations that President Ahmed Sékou Touré had caused the death of the first secretary-general of the OAU, **Diallo Telli**. *La Mort de Diallo Telli*, written by Guinean exile Amadou Diallo, charges that Sékou Touré gave direct orders in 1977 for Telli to be put on a starvation diet, killing him in 11 days. (*Africa Now*, July 1983.)

• Earlier this year, a delegation led by Guinean Minister of Foreign Affairs Abdoulaye Touré visited Paris to solicit increased **French aid**. French officials agreed to finance some development projects but refused to fund the massive hydroelectric scheme at Konkouré. The construction of the Konkouré dam has preoccupied the Guinean government for 25 years. Estimated costs for the project have now reached $3 billion, and aid has not been forthcoming despite Guinea's highly publicized "turn to the West." (*Jeune Afrique Economie*, July 21, 1983.)

Guinea-Bissau

• Although Guinea-Bissau's 1983-86 **development plan** has not yet been officially announced, preliminary reports indicate that the plan — the first ever undertaken by Guinea-Bissau — will include two comprehensive structural adjustment programs and a rescheduling of the national debt. In addition, some government industries may be turned over to private ownership later this year. Guinea-Bissau also embarked recently on a large offshore oil exploration project with the aid of a $13 million credit from the World Bank. Other loans obtained by Guinea-Bissau will finance improvements in the port of Bissau. (*Business Week*, August 8, 1983; *Modern Africa*, August 1983.)

Ivory Coast

• In the face of a depressed market for its chief commodities, cocoa and coffee, Ivory Coast has in recent months begun a systematic **renovation of its economy**. A new investment code, replacing the one in force since 1959, will grant private Ivorian businesses the same privileges accorded to foreign corporations. More lenient lending terms will enable small and medium-sized domestic industries to increase their borrowing from government banks, and tax incentives will be used to encourage the growth of free enterprise.

Other features of the economic adjustment include further petroleum exploration to eliminate Ivorian dependence on foreign oil; the development of the Soubré dam project, which will supply hydroelectric power and water for irrigation; housing reform, which will shift investment from the government to private capital; new tariff scales, which will strengthen Ivorian exports; and a system of incentives to encourage agricultural production.

The economic adjustments will be financed in part by a World Bank loan of $250.7 million. Officials in Abidjan emphasized that the loan did not place Ivory Coast under the "tutelage" or "trusteeship" of the World Bank.

Not all the conditions usually imposed by the World Bank were met. Because of recent discontent among teachers and other workers, Ivory Coast refused to increase food prices and lower the salaries of government employees. (*Jeune Afrique Economie*, July-August, 1983; *Le Monde*, July 19, 1983.)

• Since March, there has been growing speculation that Ivory Coast may resume diplomatic relations with **Israel**. During his European tour in July, President Félix Houphouët-Boigny met for secret discussions with Israeli Foreign Minister Yitzhak Shamir. An Israeli source cautioned, however, that the talks were meant only to "maintain contact" and had not dealt with the resumption of diplomatic relations.

The contact has been maintained at high cost. Arab funding for the Soubré dam has been jeopardized by Houphouët-Boigny's insistence that Israeli contractors should not be excluded from the project. (*Jeune Afrique*, July 27, 1983.)

Liberia

• Liberian Head of State Samuel Doe has sought the approval of the People's Redemption Council (PRC) to re-establish **diplomatic relations with Israel**. Doe said that since Liberia and other African nations severed ties with Israel in accordance with a 1973 OAU resolution, little progress had been made toward bringing peace to the Middle East. He emphasized that although Liberia remains loyal to the Arab cause, the resumption of relations with Israel could help to facilitate a settlement in Lebanon and resolve the Palestinian problem.

In a related incident, Doe dismissed his Minister of Foreign Affairs, H. Boimah Fahnbulleh, citing differences in "ideological philosophy." Most observers have speculated that Fahnbulleh opposed the government's move toward Israel—definite grounds for dismissal in Liberia where members of the PRC generally follow Doe's lead. The former secretary-general of the Mano River Union, T. Ernest Eastman, was named as the new foreign minister.

It also is likely that diplomatic pressure from the U.S. has encouraged Liberia to seek relations with Israel. The U.S. has in the past lobbied African countries on Israel's behalf, and Liberia has recently been moving closer to the U.S. while becoming more dependent on American aid. U.S. assistance to Liberia has increased dramatically from $8 million in 1979 to $72 million this year, making Liberia one of the top recipients of aid per capita in sub-Saharan Africa. (*Christian Science Monitor*, July 20, 1983; *West Africa*, July 11 and 18, 1983; Monrovia Radio, June 20 and July 4, 1983; London *Observer*, June 26, 1983.)

• The PRC announced in July that Liberia will **return to civilian rule** on April 12, 1985. It was also announced that political activity, which has been banned since Doe's ascension to power, will be permitted after April 12, 1984. According to the government's timetable, a two-month campaign period will begin in November 1984 and end on January 18, 1985, with elections scheduled two days later. The results will be announced on March 1, and the new legislature and government are to take office on April 5 and 12 respectively. (*New York Times*, July 28, 1983.)

Doe's Birthdays

At a press conference held on the occasion of his birthday, Liberian Head of State Samuel Doe announced that he was not 32 years old, as his official biography states, but that he was actually 33. According to Doe, a clerical error placed his date of birth in 1951 when, "in fact," he was born one year earlier.

Although this correction is somewhat belated, it comes at an opportune time. The proposed Liberian constitution, like the U.S. constitution upon which it is modeled, stipulates that a president must be at least 35 years old. With his birth date corrected, Doe will be 35 in time for the January 1985 elections. (*Jeune Afrique*, July 20, 1983.)

Mali

• In late May, Mali became the first of seven West African countries to be awarded a **loan** from the Economic Community of West African States (ECOWAS). The $3 million loan will be used to cover part of a $35 million telecommunications scheme co-financed with the EEC. The remainder of the ECOWAS loan, totalling $9.5 million, will be divided among six other states: Benin, Ghana, Ivory Coast, Niger, Nigeria, and Upper Volta.

In July, the International Development Association approved a $7.6 million loan to aid Mali in the development of biomass alcohol as an alternative source of energy. The project should produce 500,000 gallons of alcohol this year, which will be blended with gasoline to produce gasohol. Once it is in full operation, the project could save Mali $1.3 million per year. (*World Bank News*, July 21, 1983; *African Business*, July 1983.)

Mauritania

• Mauritania's economy is still suffering from prolonged drought and the residual effects of the war in the Western Sahara. The country's **debt service** obligations have risen to more than $55 million this year, and President Mohamed Khouna Ould Haidalla recently estimated that debt service will cost Mauritania $110 million — almost half the national budget — in three more years. A World Bank delegation, visiting Nouakchott in late June, advised Haidalla to devalue the Mauritanian currency by at least 20 percent. Nevertheless, speaking during ceremonies marking the fifth anniversary of his assumption of power, Haidalla firmly refused to devalue the currency, saying instead that a rescheduling of Mauritania's debt was essential. (*Le Monde*, July 13, 1983; *Jeune Afrique*, June 29, 1983.)

• Libyan leader Colonel **Muammar Qaddafy** paid a state visit to Haidalla in Nouakchott in late July. The two leaders expressed their support for the OAU resolution calling for self-determination in the Western Sahara. They also announced that formal meetings between the leadership of the two countries would henceforth be held every six months. (Tripoli Radio, July 24, 1983.)

Nigeria

• President Shehu Shagari was **re-elected** to another term by a landslide in the national elections held in early August. Shagari won more than twice as many votes as he had received in his 1979 victory, and he carried more states as well.

The voting was predominantly peaceful and orderly, although several people were killed in earlier campaign violence. Civilian police, and not soldiers as in 1979, were stationed at polling places to maintain order. Shagari's overwhelming victory eliminated the need for a second or third ballot, which could have led to widespread violence.

Although Shagari's greatest strength was in the northern states among his own Hausa-Fulani ethnic group, he also did well in the southwest, where Yoruba candidate Obafemi Awolowo has traditionally been strongest, and in the southeast, where Ibo leader Nnamdi Azikiwe has always dominated. In Oyo state, the heartland of Awolowo's support, Shagari was able to win more than a third of the vote. Azikiwe and his Nigerian People's Party were probably hurt by the defection of Emeka Ojukwu, the leader of the Ibo in the Biafran war, who joined Shagari's National Party of Nigeria to "reintegrate" the Ibo into Nigerian politics.

As we went to press, provisional figures issued by Nigerian officials showed that Shagari received a total of 12,470,648 votes and more than 25 percent of the vote in 16 of Nigeria's 19 states. The constitution requires that the president must receive more than one quarter of the total vote in at least 13 states. Awolowo received 7,885,434 votes, and at least 25 percent in seven states, while Azikiwe finished third with 3,534,633 votes and 25 percent or more in five states. Awolowo and Azikiwe contested the results, but their protests are unlikely to change the outcome of the election. (*Financial Times*, August 11, 1983; *New York Times*, August 11, 1983.)

• Nigeria and the International Monetary Fund continued their lengthy negotiations on the terms of a massive **loan** intended to compensate for Nigeria's loss in oil revenues. The $2.6 billion loan will accompany an austerity plan which will be instituted after the elections. Although the IMF did not make monetary devaluation a precondition of the loan, Nigeria will be required to reduce public spending.

Nigeria continued to produce the maximum amount of oil allowed under the new OPEC quotas. In March, OPEC members agreed to reduce prices and keep oil production from exceeding present levels. Nigeria, briefly accused of exceeding the quotas, has since followed them closely in an effort to keep oil prices from declining further.

Despite its economic difficulties, Nigeria recently concluded a large arms agreement with Britain. After three years of talks, Nigeria ordered 18 Jaguar jet fighters, co-manufactured by France and Britain, and costing more than $150 million. (*New York Times*, August 5, 1983; London *Guardian*, August 3, 1983; London *Times*, August 3, 1983; *African Business*, August 1983.)

Sierra Leone

• Vice President Sorie I. Koroma, presiding over the June session of parliament in the absence of President Siaka Stevens, announced that the UN General Assembly had endorsed Sierra Leone's application for **least-developed country** status. This reclassification is expected to encourage economic assistance from foreign sources when an international donors' conference convenes in Freetown early next year.

Finance Minister Salia Jusu-Sheriff presented parliament with his budget for 1983-84, which includes a 20 percent salary increase for civil servants and pensioners. Jusu-Sheriff proposed no new taxes in this year's budget, emphasizing that tax revenue could be increased by a more efficient system of tax collection. He blamed the decline of the economy on the international recession and on low productivity in Sierra Leone. (*West Africa*, July 4 and 11, 1983; *African Business*, July 1983.)

Togo

• Ghana has accused Togo of sheltering the **Ghanaian dissidents** who participated in the June 19 failed coup attempt against the government of Flight Lieut. Jerry Rawlings. The accusations came in late June, two weeks after an eight-man Ghanaian delegation visited Togo to discuss the opening of their common border, which was closed by Ghana last September as a measure against smuggling.

An official statement from Togo said that the government was "profoundly indignant at the unfounded news implicating Togo in the abortive coup attempt." Togolese sources said that the accusations were "ridiculous and empty." "Togo has never authorized, and would never tolerate anyone using its territory as a base for subversive activity against any country."

Togo claimed never to have hidden the fact that Ghanaian refugees were within its territory and said that Ghana, having decided unilaterally to close the border, should have been able to control the activities of the dissidents. Togolese officials were evidently frustrated at their failure to negotiate a reopening of the border. Togo's economy, which was heavily dependent on trade with Ghana, has suffered since the border was closed. (*West Africa*, July 11, 1983; Lomé Radio, June 29, 1983; Accra Radio, June 28, 1983.)

• The International Development Association (IDA) of the World Bank has granted Togo a $40 million **structural adjustment loan** to accelerate mining and agricultural development and an additional soft credit of $12 million to improve the water supply system in Lomé.

Earlier this year, at a meeting of the "Paris Club," representatives of Togo's major Western creditors agreed to reschedule the country's foreign debt. The loans, credits and other payments falling due this year total $275 million, and it is estimated that Togo's long-term debt rose to over $1 billion at the end of last year. The debt payments due this year will surpass Togo's export revenue by 50 percent, and the country's debt service ratio is approximately 35 percent, the highest in Africa.

The creditors will permit Togo to "roll over" its debt, allowing ten years for repayment and adding a five-year grace period.

These measures follow a number of moves taken by Togo since late 1982 to promote greater efficiency and fiscal responsibility. Several state corporations have been dissolved or turned over to private investors; a comprehensive income tax has been levied; more emphasis has been placed on food production; and the role of the Togolese Bank for Agricultural Credit has been enhanced. These efforts, along with recent signs of growth in the cotton industry, provide some hope for Togo's ailing economy. (*African Business*, July 1983; *World Bank News*, May 19, 1983; *Le Monde*, April 19, 1983.)

EASTERN AFRICA

Comoros

• Recent reports indicate that several dozen **mercenaries**, who installed Ahmed Abdallah as president in a 1978 coup, never left the Comoros. Exiled opposition leaders have charged that the mercenaries, led by Bob Denard of France, are holding Abdallah "a virtual hostage" and are establishing a "reign of terror" in the islands.

The mercenaries had stayed on, in an unofficial capacity, since their installation of Abdallah in 1978. But in 1981, Abdallah heard rumors of a planned counter-coup and was forced to retain the mercenaries to protect his rule. In exchange, the president is said to have granted legal citizenship to the mercenaries and to have given them large tracts of land in the islands.

Exiled opposition leaders alleged that local elections held this July were disrupted by the mercenary-led security forces. According to exiles in France, more than 40 protesters were arrested, and several were beaten.

Meanwhile, the strategic location of the Comoros, near Madagascar off the coast of Mozambique and Tanzania, has led South Africa to open daily air service to the islands and to expand the airport at Moroni. In addition, South Africa is investing in tourist facilities, rural development, and the fishing industry. The turn toward South Africa is believed by many observers to be inspired by the mercenaries. (*Le Monde*, July 28, 1983; *Afrique-Asie*, June 20, 1983; *Drum*, June 1983.)

Djibouti

• Repatriation of 35,000 Ethiopian and Somali **refugees** from the Dikhil and Ali Sabieh camps in Djibouti has begun under the auspices of an $8.2 million program administered by the UN High Commission for Refugees (UNHCR). Refugees, until now, have constituted more than ten percent of Djibouti's population. They have also generated ethnic tension, added to the problem of unemployment, and created a flourishing black market which competed with indigenous merchants. Food distributed by relief agencies in the refugee camps was often sold to the highest bidder by enterprising refugees.

According to French sources, only a minority of the refugees had originally fled to Djibouti for "political reasons." Most had run from the war between Ethiopia and Somalia in the Ogaden region. Although the "political refugees," many of them intellectuals and former government officials, were unlikely to return home, the majority of the refugees were expected to participate in the repatriation program. There have been past charges of mistreatment of repatriates in Ethiopia, but UNHCR has issued new guarantees for their safety. (*Le Monde*, July 7, 1983.)

Kenya

• **Charles Njonjo**, who was suspended from the post of minister of constitutional affairs following allegations of disloyalty to the government, resigned his seat in parliament in late June, and was subsequently expelled from Kanu, Kenya's only legal political party.

The charges against Njonjo were made public when President Daniel arap Moi announced in May that there was a "traitor" in the government who was being groomed by a foreign power to assume the presidency. Though Njonjo was never named as the traitor, there is little doubt that he was the target of Moi's remarks. A judicial commission has been named to investigate the charges against Njonjo.

Njonjo's rapid fall from power marks the end of an era in Kenyan politics. Kenya's *Weekly Review* noted that "For the first time since independence, Kenyans are going to a general election without Njonjo as the man ultimately responsible for making all the arrangements for the election process. For the first time in many years, the political process in the country has only one center of reference—the presidency. Prior to his fall, Njonjo provided another center of reference, and Kenyans of all shades of opinion are going to have to make quite a bit of adjustment to the changed circumstances."

Despite his unpopularity with the Kenyan public, Njonjo was able to wield significant power under both the late President Jomo Kenyatta and under Moi. He was liked by Western governments, Kenyan Asian businessmen, and foreign businessmen who appreciated his steadfast defense of free enterprise in Kenya. But Kenya's plummeting economic fortunes, along with political pressures brought to bear after the August 1982 attempted coup, have altered the political landscape enough to make Njonjo's overtly elitist attitudes a liability to the Moi government. It was also widely assumed that Njonjo, despite his constant denials, had ambitions toward the vice presidency and eventually the presidency.

In calling for early elections, now scheduled for September 26, most observers feel that Moi is moving to consolidate his own power by attempting to rid parliament and his cabinet of pro-Njonjo and anti-Moi elements. Though the original charge of "traitor" may have been leveled in order to implicate Njonjo and anyone connected with him, the clumsy manner in which the whole affair has been handled has not cast a favorable light upon Moi and may have served to highlight some of the weaknesses of his presidency.

As for Njonjo, even if the judicial commission finds no grounds for the charges against him, he is unlikely to regain his former stature. (London *Times*, August 3, 1983; Kenya *Weekly Review*, July 8 and 22, 1983.)

Mauritius

• In mid-June, less than one year after Sir Seewosagur Ramgoolam lost every seat in parliament including his own, current Prime Minister Aneerood Jugnauth scheduled a general **election** for late August. Jugnauth decided on the new election after the three-party coalition that brought him to power began to break down, leaving him unable to command a majority in parliament.

Jugnauth blamed the political crisis on the head of the Mauritius Militant Movement (MMM), Paul Berenger, who resigned his post as finance minister and formed a new opposition party along with a dozen other MMM ministers. Deputy Prime Minister Harish Boodhoo reacted to Berenger's move by dissolving his party, the Mauritius Socialist Party (PSM), and integrating it into Jugnauth's new Mauritius Socialist Movement (MSM).

Jugnauth's faction was strengthened by an electoral alliance with the Labour Party of Ramgoolam and with ex-MMM members who remained loyal to the ruling party after Berenger's defection. The merger meant that either Ramgoolam or Jugnauth could become prime minister if the coalition wins the election.

Although the campaign was the shortest ever held in Mauritius, it was filled with vicious accusations focusing on race and personalities. Jugnauth's alliance charged that the MMM was fascist and dictatorial. Ramgoolam added that Berenger "wants to run this country on the basis of communist Russia." Berenger denied advocating a one-party state and claimed that Mauritius' problem is that "the prime minister has no knowledge of economics and the deputy prime minister is a fool." Berenger, who is of French ancestry, was attempting to break the tradition that the prime minister must be Hindu. He attracted a large following among the lower castes of the Hindu majority and was expected to dominate the vote of the Moslem minority. Berenger's popularity was thought to have been hurt, however, by the austerity measures he had instituted while serving as finance minister.

The elections were expected to be the most closely contested in the country's history, and political analysts doubted that Jugnauth could attract the 53 percent of parliamentary seats required to form a new government. (*Africa Now*, August 1983; *African Business*, August 1983; *Washington Post*, July 20, 1983.)

Seychelles

• In an August **election**, almost 60 percent of eligible voters turned out to elect 23 members of the People's Assembly. All the candidates were members of President Albert René's Seychelles People's Progressive Front (SPPF), and 17 of them ran unopposed. The election was the first since a South African-backed coup attempt in 1981. SPPF officials were relieved at the large voter turnout, saying that it was evidence of broad support for the party among the people. (*Financial Times*, August 9, 1983.)

• The Seychelles government pardoned six **mercenaries** convicted in the 1981 coup attempt and deported them to South Africa in July, noting that the release showed confidence in the archipelago-nation's stability and contrasted sharply with Pretoria's executions of ANC members.

A UN commission studied the abortive coup and concluded that it had been covertly backed by the South African army and intelligence service. One of the freed mercenaries, Martin Dolinchek, claimed that he was on leave from the South African intelligence service at the time, but the Pretoria authorities said he had resigned his post. Dolinchek's disclosures embarrassed the South African government, and he said that he expected trouble at home. "There are many things a government can do without courts to frustrate a person it doesn't like," he said. (London *Guardian*, July 22 and 23, 1983.)

Somalia

• Somalia's vice president and defense minister, **Lt. Gen. Mohamed Ali Samantar**, visited American officials in Washington in mid-June to solicit increased U.S. military assistance. He held talks with Vice President George Bush, Defense Secretary Caspar Weinberger and Assistant Secretary of State for African Affairs Chester Crocker. He also met with Charles Percy, chairman of the Senate foreign relations committee, and Howard Wolpe, chairman of the House sub-committee on Africa.

The U.S. defense department has requested \$30 million for military aid to Somalia this year and \$40 million for fiscal 1984. These figures, however, are likely to be cut, as some members of Congress have doubts about the stability of the regime of President Mohamed Siad Barre. The U.S. has thus far met its basic obligations under a 1980 agreement to supply Somalia with defensive military hardware, but Somali requests for additional assistance have gone unfulfilled.

American officials have been watching closely as the Mogadishu government has faced increasing opposition from internal and externally-based groups. In addition, Barre's regime now faces a new challenge from intensifying clan rivalries within the country.

Samantar is the man most often mentioned as a possible successor to Barre. None of the opposition groups seem to be overtly opposed to him, and some press reports have claimed that Somalia's Western supporters think his ascension might add some needed stability to the country. Diplomatic sources contacted by ***African Update*** have denied that there is any truth to these reports.

Barre's strength has been underestimated before, and rumors of his impending fall from power have been common throughout the 14 years he has been in office. There is no denying that Barre is facing a considerable challenge, but according to one American diplomat, "He seems to be weathering the storm." (*Africa Now*, August 1983; Mogadishu Radio, July 26, 1983; *Le Monde*, June 29, 1983; *Washington Times*, June 15, 1983.)

• Somalia announced in mid-July that it had successfully repulsed a series of **Ethiopian attacks** along its borders. Reports on Mogadishu radio referred to the invaders as the "combined enemy forces of Russia, Cuba, Libya and others," and announced that they had been driven back "with heavy casualties." "We have very reliable friends who have given us reliable defensive weapons," the broadcast concluded.

(Mogadishu Radio, July 17, 1983.)

• In early August, 2,800 U.S. troops participated in joint maneuvers with Somalia in an operation code-named **Eastern Wind**. The exercises, part of the larger operation, Bright Star III, included an amphibious landing near the planned U.S. naval and air base at Berbera.

The U.S. is finally preparing to occupy the facilities at Berbera after procuring access to the base under a 1980 agreement with the Somali government. Due to a variety of reasons, not all of them clear, the work of enlarging the airfield and improving the harbor did not begin until recently.

Observers have speculated that U.S. annoyance with Barre's repeated claims to the Ogaden, and a lack of faith in his ability to remain in office, led to the delay. Diplomatic sources will only affirm that the delay was linked to legal disputes over the construction contracts. There has also been speculation that the U.S. had previously overestimated the strategic value of the Berbera base.

An American military spokesman has said that there are no plans to station American troops permanently at Berbera. (*New York Times*, August 8, 1983; *Le Monde*, June 29, 1983.)

CENTRAL AFRICA

Burundi

• Burundi's former president, **Michel Micombero**, died of a heart attack on July 16 in Mogadishu, Somalia. He came to power in 1966 after deposing King Ntare, and he ruled until his ouster in 1976 by Lieut. Col. Jean Baptiste Bagaza, who sent Micombero into exile in Somalia.

Micombero began his career in the military, and then served as minister of defense, secretary of state, and prime minister before installing himself as president.

Once in office, Micombero attempted to reconcile the rift between the Hutu majority and the politically dominant Tutsi minority. He began by freeing Hutu political prisoners, but his rule quickly turned repressive. Following a 1972 attempted coup, his forces turned on the Hutu, killing 100,000 people.

In Somalia, President Mohammed Siad Barre declared a three-day period of mourning for Micombero. (*Le Monde*, July 19, 1983; *New York Times*, July 18, 1983.)

Cameroon

• In late June, French President François Mitterrand made a lengthy stop in Cameroon while on his fourth state visit to Africa. His talks in Yaoundé with President Paul Biya centered on Cameroon's **balance of trade deficit** with France.

Although France is Cameroon's largest supplier of imported goods, the United States and the Netherlands each buy more Cameroonian exports than France does. Biya urged Mitterrand to encourage French purchases of raw materials and other products from Cameroon. He also repeated the request he made earlier this year in Paris for increased development assistance. Mitterrand, however, remained reluctant to endorse a massive French investment in the natural gas liquefaction plant at Kribi, saying only that feasibility studies were in order.

Just before Mitterrand's visit, Biya reshuffled his cabinet, naming a new secretary-general of the presidency and new ministers of territorial administration, agriculture, and information. The former cabinet members, who had all been appointed by Biya's predecessor, Ahmadou Ahidjo, were replaced by officials who are said to be closer to Biya. (*Afrique-Asie*, July 4, 1983; *Jeune Afrique*, June 29, 1983; London *Times*, June 23, 1983; *Le Monde*, June 22 and 23, 1983; Yaoundé Radio, June 21, 1983.)

Central African Republic

• Former **Emperor Jean-Bédel Bokassa** recently said that he wishes to return home from his exile in Ivory Coast. He announced his plan for economic recovery — including a central railway and increased exploitation of diamonds and timber — and "ordered" political parties and labor unions in the Central African Republic to "resume their activities." Bokassa denied having been a tyrant, and he exhorted the current leaders in Bangui to remember that they had ascended to power "thanks to me."

Bokassa's announcement came at a time when the Bangui government, led by General André Kolingba, was being accused of human rights violations. The president and secretary-general of the Oubangui Patriotic Front were both sentenced to long prison terms earlier this year, and a former army captain died in prison in late May. The government said that he died of "cirrhosis of the liver," but other dissidents charged that he was tortured. (London *Sunday Times*, July 24, 1983; *Afrique-Asie*, July 18, 1983; *Jeune Afrique*, July 13, 1983.)

• The foreign debt of the Central African Republic was **rescheduled** at a meeting of the "Paris Club" of international financiers in July. No details on the terms of the rescheduling were disclosed. (*West Africa*, July 25, 1983.)

Equatorial Guinea

• Equatorial Guinea's **relations with Spain**, its former colonial ruler, improved in August after a long period of increasing strain. There had been tension between Malabo and Madrid since the Spanish embassy in Equatorial Guinea gave refuge to Sgt. Venancio Miko, one of the leaders of an attempted coup in May. The government of Teodoro Obiang Nguema, shocked by the coup attempt, reacted bitterly toward the Spanish action. Shortly thereafter, a Spanish delegation visited Malabo and recommended a "drastic reduction" in aid to Equatorial Guinea because of alleged human rights violations.

The Spanish were also angered by the proposed entry of Equatorial Guinea into the francophone CFA monetary zone and the Central African Customs and Economic Union (UDEAC), moves which the Spanish feel will draw Malabo into the French sphere of influence.

But after President Obiang visited Madrid at the end of July, the tensions eased. A joint communique issued in Madrid announced that Sgt. Miko had been "reprieved" and that Equatorial Guinea's debt to Spain, which now totals more than $45 million, would be renegotiated. Further Spanish economic assistance will be contingent upon the presence of a Spanish aid coordinator in Equatorial Guinea, who will seek to prevent waste and misuse of funds. Spain has also dropped its opposition to Equatorial Guinea's membership in the CFA zone, saying that membership in the group may help the country to strengthen its economy. (London *Times*, August 1, 1983; Madrid Radio, July 30, 1983.)

Rwanda

• Rwandan President Lt.-Gen. Juvénal Habyarimana was **elected** for a third five-year term in late June as head of the National Ordinary Congress of the Revolutionary Movement for National Development (MRND). Habyarimana is the founder of the MRND, which voted unanimously to award him another term.

Habyarimana's victory in the general election is assured, since the Rwandan constitution stipulates that the MRND president will be the sole candidate for the national presidency. (Kigali Radio, June 27 and 29, 1983.)

Zaire

• President Mobutu Sese Seko made a six-day **visit to the U.S.** in August. After a vacation stop at Disney World with his family, Mobutu met in Washington with President Reagan, Vice President Bush, the secretaries of defense and the treasury, the head of the U.S. Agency for International Development, the director of the Central Intelligence Agency, and a bipartisan group of congressional leaders.

An important topic of discussion was Mobutu's military assistance to the forces of Hissène Habré in Chad. Zaire has sent more than 2,000 troops, supported by six combat aircraft, to bolster Habré's defenses. U.S. officials praised Mobutu's "courageous role" in helping Habré.

The discussions also centered on Mobutu's efforts to inspire Western confidence in his rule. American officials lauded the amnesty Mobutu recently granted to political exiles, as well as his pardon of parliamentary leaders he had previously jailed for attempting to form an opposition party. Economic reforms instituted by Mobutu on the advice of the International Monetary Fund — including cuts in government spending, lessened reliance on imports, and Mobutu's relinquishment of personal control over Zaire's mining industry — also earned praise for the Zairian president.

Diplomatic sources suggested that the meetings may have softened the opposition to Mobutu among many congressional leaders. The sources added that Zaire's future negotiations with the IMF and with the "Paris Club," which reschedules the debts of Third World countries, may go more smoothly now that Mobutu has sought to improve his image.

Zambia

• President Kenneth Kaunda has been unusually candid about Zambia's **economic problems** in an attempt to head off a confrontation with labor unions prior to the elections scheduled for later this year. "The crunch has come," he warned. "Let us stop pretending that Zambia is a rich country. It is time for belt-tightening for all of us."

Kaunda, who has readily admitted that recent IMF-imposed conditions may not be in Zambia's best interests, has nonetheless had to defend those conditions to the unions and the public, who have already felt the effects of the wage limits and price deregulation.

Timothy Walamba, head of the 55,000-member copperbelt miners' union, has warned that his union's wage demands must be met. "We all love our country and we would not like to see it go up in flames," he said. Frederick Chiluba, leader of the 300,000-strong Zambia Congress of Trade Unions (ZCTU), has been photographed smiling at Kaunda over a working breakfast, but most observers feel that the two men's positions are irreconcilable. Both Walamba and Chiluba were jailed by Kaunda in 1981 after a strike closed Zambia's copper mines. "The detention wounds are still very fresh, and the union leaders are definitely up to some mischief," said one observer in Lusaka.

Union leaders have denied wanting to cause trouble and have expressed anger at having terms dictated to them by the government when they have a collective bargaining agreement. The unions have argued that the across-the-board 10 percent limit on wage hikes will only widen the gap between the lowest and highest paid workers, exactly the opposite of what the unions have been trying to achieve.

Though Kaunda will be the only candidate for president when the elections are held this year, he still needs a strong showing to help him through what promises to be an arduous round of negotiations with the unions. With Zambia's economy in shambles, Kaunda will have to rely on his own popularity and hope that the voters will respect his candor. (*Africa Now*, August 1983; London *Observer*, July 31, 1983.)

NORTHERN AFRICA

Egypt

• In late July, the Egyptian parliament passed an **election law** that considerably weakens the position of the three political parties opposed to the National Democratic Party (NDP) of President Hosni Mubarak. The law restricts representation in parliament to those political parties receiving at least eight percent of the popular vote in general elections. It is unlikely that any of the three opposition parties — the Socialist Labor Party, which now holds only ten of the 392 seats in parliament; the Liberal Socialist Party, with three seats; or the National Unionist Progressive Party, which has no members in parliament — could win enough votes to retain its parliamentary representation. The passage of the law in the NDP-dominated legislature was a foregone conclusion, and two weeks before its passage, the opposition parties had already declared their intention to boycott the upcoming November elections, which will be held under the new system. Mubarak's NDP has thus achieved a de facto domination of Egyptian politics.

The brother of the late President Anwar Sadat, Esmat, who was convicted of fraud and corruption earlier this year, was released from prison in early August. The Egyptian Supreme Court of Ethics ruled that confiscation of Esmat's property was more appropriate punishment than a prison sentence. The court suggested, however, that Esmat might face trial on related charges in the near future. While handing down the decision, the court also announced that there was no evidence implicating the late president in the crimes of his brother. (*New York Times*, July 4 and August 2, 1983; *Washington Post*, July 21, 1983.)

Morocco

• Although Morocco agreed in June to support the OAU resolution calling for a referendum on self-determination in the Western Sahara, King Hassan II later **retreated** from that position. In a speech delivered on his 54th birthday, the king stated flatly: "There is nothing that can compel us to give the [Western] Sahara on a gold plate to a group of mercenaries." Hassan also announced that he would postpone the Moroccan national elections, formerly scheduled for September, until after the Western Sahara referendum. "Our national aspiration," said the king, "is to retrieve our usurped Sahara," and, he implied, Moroccan elections would detract from the unity necessary for a favorable result in the Saharan referendum. (Rabat Radio, July 8, 1983.)

• A week before his comments on the Western Sahara, Hassan hosted Libyan leader **Muammar Qaddafy** in Rabat. The talks between the two heads of state were the first in 14 years. Libyan-Moroccan relations have long been strained by Qaddafy's backing of two coup attempts against Hassan and by Libyan support for the Polisario guerrillas in the Western Sahara. During his visit, Qaddafy claimed that Libya was now "neutral" on the issue of the Western Sahara. (Rabat Radio, July 2, 1983.)

Sudan

• A previously unknown group called the **Southern Sudan Liberation Front** (SSLF) kidnapped 11 foreign missionaries and aid workers in late June. After releasing six of the hostages, the kidnappers threatened to kill the others unless they were given pants and shoes for 150 men, $95,000 in Sudanese currency, and time to read a statement over BBC radio and Voice of America. Two weeks after the hostages were taken, and two days past the kidnappers' deadline for shooting them, the Sudanese army staged a successful rescue mission, freeing the hostages unharmed. It was rumored in Sudan that Americans participated in the operation, in which eighteen of the kidnappers were killed. The relationship between the SSLF and the Anya Nya II guerrillas who have also been active in the area is not yet clear.

At a Nairobi press conference, a spokesman for the hostages commented that the rebels did not seem to present a significant threat to the government. He said that at least three of the kidnappers had been trained in Ethiopia, apparently with the aid of Libya. Other members of the group were identified as merchants and students from the southern town of Boma.

Sudanese authorities are hopeful that the army's successful operation against a rebel group in an isolated area will serve to discourage similar incidents in the future. Still, the formation of the SSLF has been seen as an indication of the south's deep-rooted opposition to President Gaafar al-Nimeiry's recent dissolution of the southern regional government, and the resistance is likely to continue.

The semi-autonomous southern regional government was set up under the terms of the 1972 Addis Ababa peace accord which put an end to Sudan's 17-year civil war. However, the southern government became increasingly unmanageable over the years due to ethnic rivalries, political infighting, and corruption.

Sudan has now been divided into eight new administrative areas. The former southern region has been partitioned into three regions, Bahr Al Ghazal, Equatoria, and Upper Nile. Nimeiry has appointed provisional governors, ministers, and assemblies for each region and ordered them to prepare for elections at the end of next year.

Two of the three new governors openly supported the redivision, but the new leaders of Bahr Al Ghazal region, led by Governor Lawrence Wol Wol, opposed the plan. They nevertheless accepted their appointments and are expected to implement the changes as instructed. Joseph Tombura, outgoing head of the southern regional government, was picked as governor of Equatoria, and Daniel Kuot Matthews will be the governor of Upper Nile.

The regionalization is expected to greatly change Sudanese politics. The governors, now the most powerful people in the country after the president, will have considerable autonomy. The redivision can be expected, however, to increase Nimeiry's power over national policy while fractionating the power of his opposition. (*Africa Now*, August 1983; Khartoum Radio, July 24 and 25, 1983; London *Times*, July 16, 1983; *Washington Post*, July 9, 1983; London *Guardian*, July 4, 1983.)

Tunisia

• In an important **cabinet change**, Mansour Moalla lost his position as Minister of Planning and Finance. Moalla had long been in conflict with Prime Minister Mohamed Mzali, President Habib Bourguiba's heir apparent. Considered to be more conservative than most other Tunisian cabinet members, Moalla was on good terms with the World Bank and other international financial organizations. Moalla's willingness to enact World Bank-imposed austerity measures and his difficulties in labor union negotiations caused him to fall out of favor with Bourguiba and Mzali. At a cabinet meeting in mid-June, Moalla refused to disclose some documents relating to development projects, and less than two weeks later he was relieved of his post. The Ministry of Planning and Finance was then divided into several departments, each with its own minister.

This fractionating of the ministry led observers to remark that Mzali would henceforth be able to exert more direct control over the Tunisian economy. (*Jeune Afrique Economie*, July-August 1983; *Afrique-Asie*, July 4, 1983.)

Western Sahara

• Only days after King Hassan II of Morocco made a speech insisting on his country's sovereignty over the Western Sahara, Polisario guerrillas **attacked** Moroccan positions in the disputed territory. The Polisario Front claimed to have killed more than 300 Moroccan soldiers, while the Moroccans said they killed 50 guerrillas without suffering any casualties. The attack was the first major battle in almost two years. Since their defeat at Guelta Zemmour in 1981, Moroccan troops have withdrawn behind a massive defense wall in the northern part of the country, and most fighting has since been brief and sporadic. The Polisario's July assault, however, was directed at a number of Moroccan targets and lasted several days. The offensive was preceded by a statement in which Polisario leaders claimed that Hassan had rejected "the path of peace" in hopes of "achieving a military victory." (London *Guardian*, July 14, 1983; *Le Monde*, July 13, 1983; Polisario Radio, July 11, 1983.)

SOUTHERN AFRICA

Angola

• Cuban soldiers are already guarding U.S. and European workers in Cabinda and now, in a further irony, private British security specialists are attempting to control **diamond smugglers** in the Lunda Norte mining region. Diamond smuggling has cost the MPLA government an estimated $150 million annually, and much of the profit is believed to end up subsidizing the UNITA rebel movement.

The Angolan government has reacted by restricting the entrance of foreigners into Angola. New laws require foreigners to register with local authorities before visiting certain areas and to declare their departure at least 48 hours in advance. Before the laws were enacted, diamond dealers from Belgium, as well as Portuguese and other Europeans, were openly visiting Lunda Norte.

Angolan citizens have also been implicated in the smuggling. Several employees of the national airline have been arrested, and some important MPLA officials have been dismissed. To deal with the local problem, President José Eduardo dos Santos recently declared the formation of regional military councils (RMCs) to govern certain trouble areas in Angola. Although the RMCs answer directly to dos Santos, they have considerable authority, including "the right to requisition goods and people without having to provide adequate compensation." Violators of RMC regulations will be tried by military tribunal.

The smugglers are not the only threat to the diamond mines. In July, UNITA threatened to invade the Lunda Norte province with a force of 3,000 men, as part of a broad new assault called the "year of the anti-Cuban campaign." By August the invasion had not yet been launched.

One of the main targets of the UNITA offensive is the strategic Benguela railroad, which divides the country on an east-west axis and transports vital minerals from Zaire and Zambia to the sea. Besides being a leading source of income for the MPLA government, the Benguela railroad is often considered an unofficial boundary between the territory controlled by the MPLA and that controlled by UNITA. In late July, the MPLA announced that a "South African" mine had exploded along the railway, killing 50 people and injuring 210. UNITA claimed responsibility for the explosion, claiming that 78 MPLA troops and Cuban advisers were killed and over 300 wounded.

Also in July, several members of the European Parliament entered Angola illegally to meet with UNITA leader Jonas Savimbi. During their visit, UNITA issued a communique which included further threats to the diamond fields in Lunda Norte. Sir James Scott-Hopkins of Britain, an open supporter of UNITA, warned his government that the British security specialists stationed in the diamond fields were in danger.

Although the European Parliament members were acting strictly in an unofficial capacity, their contact with Savimbi may strain relations between the European Economic Community (EEC) and the MPLA government. The meeting with Savimbi occurred while Angola was considering an application for membership in the African-Caribbean-Pacific (ACP) group of nations affiliated with the EEC under the Lomé Convention.

The visiting dignitaries also met with the remaining European hostages held by UNITA. In late June, most of the hostages had been released after four months of captivity and a 700-mile forced march that left one hostage dead. The remaining hostages were still being held to be exchanged for UNITA members imprisoned by the MPLA. (*Le Monde*, August 6, 1983; London *Times*, August 1 and 2, 1983; *African Business*, August 1983; Luanda Radio, August 1 and June 29, 1983; London *Observer*, July 24, 1983; *Washington Post*, July 1, 1983; *Afrique-Asie*, June 20, 1983.)

Botswana

• President Quett Masire said recently that **differences** between Botswana and Zimbabwe had been overplayed by the press. The Zimbabwean government, which had accused Botswana of harboring dissidents from Zimbabwe, "disowned" the charges after negotiations with Botswana on the refugee situation. "Those who claim to be fighting the government of Robert Mugabe were not allowed to stay in Botswana," Masire explained, adding that 70 Zimbabweans who had illegally crossed the border were sent back into Zimbabwe. Masire said that Botswana would not allow refugees within its territory to engage in hostile activities against neighboring states.

While the refugees have complicated Botswana's diplomacy, this year's drought has caused terrible hardship. Rural residents have left the parched countryside and migrated to the capital city of Gaborone, but the city has no means of housing or feeding the new arrivals. The drought and the city's sudden population increase have drained the Gaborone Dam, the capital's only source of water, to 20 percent of its capacity.

In addition, the country's largest private employer, the Selebi Pikwe copper-nickel mining corporation, announced its intention to suspend operations until metal prices improve. (London *Times*, August 3, 1983; Johannesburg Radio, August 2, 1983; Gaborone Radio, June 16 and 27, July 16, 18 and 26, 1983; Harare Radio, July 18, 1983; Johannesburg *Star*, July 6, 1983; *African Business*, July 1983.)

Lesotho

• Prime Minister Leabua Jonathan's opening of diplomatic relations with the People's Republic of China, which first angered South Africa, later incurred the wrath of the powerful Roman Catholic Church of Lesotho. The church, whose support was vital in the prime minister's ascent to power, accused Jonathan of being a "communist." Soon after Lesotho's bishops criticized the government, Charles D. Mofeli, leader of the opposition United Democratic Party (UDP), was **expelled from parliament** for comments he had made in an interview with South African television. Mofeli accused Jonathan of "leaning on communist support to establish a dictatorship." Members of Jonathan's Basutoland National Party (BNP) alleged that Mofeli had also implied in the interview that Lesotho shelters ANC guerrillas. After his expulsion, Mofeli claimed that Jonathan was initiating a "terror campaign" against the UDP and other opponents of the ruling party.

The criticism by the church, and the parliamentary expulsion of Mofeli, may indicate that opposition to Jonathan's government is increasing. Certainly South Africa has become more hostile to his rule. Jonathan, once staunchly anti-communist and committed to negotiating with South Africa, has recently turned toward the left, and South Africa has retaliated by tightening border controls. In addition, the Lesotho Liberation Army (LLA), which is widely believed to be supported by South Africa, has stepped up its anti-government attacks within Lesotho.

In early August, a powerful car bomb exploded in the center of Maseru, Lesotho's capital. Although no casualties were reported, a government spokesman indicated that the explosion may have been an attempt to assassinate Jonathan, for the prime minister's motorcade had passed along that street only moments before the explosion. The bomb was planted in a car with South African license plates. (*Le Monde*, August 6, 1983; Maseru Radio, August 4, July 10, 12 and 13, 1983; Johannesburg Radio, July 10 and 13, 1983; *Africa Now*, July 1983.)

Mozambique

• The U.S. was expected to open **diplomatic relations** with Mozambique as soon as the American choice for ambassador — Peter De Vos, former U.S. envoy to Guinea-Bissau — was approved by Mozambique. There has not been an American ambassador to Maputo since March, 1981, when Mozambique expelled American diplomats for allegedly engaging in espionage. The exchange of ambassadors will consummate a recent improvement of relations between Washington and Maputo. Mozambique has been trying to encourage foreign investment and is also in dire need of economic assistance because of the disastrous drought and the continuing guerrilla activities of the Mozambique Resistance Movement (MNR).

Although the MNR was hurt by the April assassination of its secretary-general, Orlando Cristina, the guerrilla movement continued to inflict a heavy toll in lives and materiel over a growing portion of Mozambique. The northern provinces of Zambezia and Nampula have been raided repeatedly, and MNR guerrillas were said to have penetrated to within 30 miles of the provincial capital of Nampula in late July. Since 1976, the MNR has been active throughout southern Mozambique, but its northern assaults are a significant expansion of the rebel group's operations.

The MNR's heightened activity and partial support in the countryside have prompted the government of President Samora Machel to place new emphasis on rural development. This year's Frelimo congress endorsed the decentralization of rural agriculture, which formerly has been collectivized, and proposed incentives for production on private farms. In addition, large numbers of unemployed city-dwellers have been relocated to rural areas to work on farms and produce the food which is so desperately needed. The transferral of urban workers to the countryside was accompanied by a "large-scale decentralization" which moved Frelimo officials out of the cities and into rural areas. (MNR Radio, July 22, 1983; Maputo Radio, July 21, 1983; *Washington Post*, July 18, 1983; *New York Times*, July 12, 1983; *Africa Now*, July 1983; London *Guardian*, June 29, 1983.)

South Africa

• The South African police took the unusual step of suspending a white policeman and launching an official departmental investigation after the **shooting death** of Paris Malatji at a Soweto police station in July.

Police told Malatji's family that he had died in an "accident" following his detention under the Criminal Procedures Act, often the preliminary for indefinite detention for interrogation under the Internal Security Act. A post mortem revealed that Malatji, 24, had been shot once at point-blank range in the forehead. The two pathologists who conducted the autopsy told the family that the pistol had been placed against Malatji's head when it was fired.

Malatji had been detained twice before by the security police, in 1981, for three days each time. The young man was given a hero's funeral in Soweto, attended by thousands of people from all over South Africa.

A group called Lawyers for Human Rights said it was shocked by "the clear lack of effective protection for detainees," despite a code of conduct instituted by the police after the death in custody of trade unionist Neil Aggett. (Johannesburg *Star*, July 25, 1983; *Sowetan*, July 13 and 14, 1983; London *Times*, July 8 and 14, 1983.)

• Students at two **Soweto high schools** boycotted classes for several days and clashed with police in July. Police used teargas and sjamboks (whips) to restore order, and in one incident fired machine gun bullets into the ground. No one was injured.

The disturbances were set off by the students' demand that several white teachers at the schools be replaced by blacks. Because of a shortage of qualified black teachers, whites, some of them army conscripts, have been drafted into many Soweto schools.

Security police briefly detained eight students, several of them members of the newly formed Azanian Students Movement. The students, who were released after two days, said the police had interrogated them about the movement and its relationship to any banned organizations. Days later, four students were arrested under the Internal Security Act, the indefinite detention without trial law that the security police use for interrogations.

The police also blamed journalists for inciting the students and briefly detained *Sowetan* reporter Mono Badela. (*Sowetan*, July 20, 22 and 26, 1983; London *Guardian*, July 22 and 23, 1983.)

• The bizarre **purge** of the security apparatus of the nominally "independent" Ciskei homeland last month seemed like a comic opera, but South African officials have reason to be worried.

With the help of South African officials, Ciskei has built up a powerful and elaborate security service which, using security laws copied from Pretoria's, appears well-equipped to crush dissent.

The 3,000-man security police force, like its South African stepfather, apparently has one major goal: to stop the banned African National Congress from using the homeland as a base for attacks on South African targets. This objective includes dealing with what Ciskeian officials (as well as South Africans) consider to be ANC "fronts," particularly the 90,000-strong militant South African Allied Workers' Union.

The black union's leader, Thozamile Gqweta, has been detained nine times by either South African or Ciskeian security police, and although subject to frequent torture, he has never been charged with a crime. The union's vice president has been detained without charges six times, and its offices have been raided countless times. The union had been in the forefront of opposition to Ciskei's "independence."

The head of Ciskeian security, Gen. Charles Sebe, often speaks of his crusade against "communists," using state security as an excuse to detain not only hundreds of trade unionists, but also church fieldworkers, students and people resisting being dumped in Ciskei by the South African authorities. Ciskei itself has 670,000 residents, but a further 1.3 million people throughout South Africa have been stripped of their South African citizenship and deemed Ciskeians by Pretoria.

"God has spoken to me," the sinister-looking Sebe once said. "He won't kill me until communism is eradicated from South Africa."

Sebe was himself detained on the orders of his brother Lennox Sebe, the "president for life," and at least 13 others have been detained, including Gen. Sebe's two sons and the son of another brother, who is transport minister. Also held were the son of the vice president, Willie Xaba, who may have been sacked, and a white South African intelligence official, Brig. Tailefer Minaar, who was an adviser to Gen. Sebe.

An indication of Pretoria's concern was the visit to Ciskei's capital of South Africa's highest-ranking police officer, Gen. Johan Coetzee, and the head of the security police, Frans Steenkamp. Within 48 hours of Gen. Sebe's detention, they met with Lennox Sebe.

The reason for the purge may have been an abortive coup attempt during the absence of Lennox Sebe, who hurried home from Israel to direct the arrests, but Gen. Sebe said that was "rubbish."

The turmoil in Ciskei pointed up the failure of Pretoria's homeland policy, designed to isolate blacks from "white" South Africa. Not only are the homelands impoverished and incapable of becoming economically self-sufficient, they are also increasingly unstable politically.

• At least five civilians were shot dead and 45 injured when police and soldiers **opened fire** on pedestrians who were trying to board trains in Mdantsane, in the "independent" Ciskei homeland. Security forces, attempting to break an 18-day-old bus boycott, retaliated with gunfire when commuters hurled stones at them in an effort to board the trains. The boycott of the bus company, of which the government is a part owner, was organized to protest fare increases.

Ciskei officials have resorted to other harsh measures to break the

Abandoned baby illustrates race laws

An abandoned baby girl had to await the government's determination of her racial classification in July before she could be adopted or cared for by social service organizations.

Eventually, the South African police classified the month-old baby as Coloured (mixed-race) on the basis of tests carried out on her hair. A recognized expert on hair then challenged the classification, maintaining that hair can be categorized as Caucasian, Negroid or Oriental but not Coloured.

Classification in one of these four races determines a South African's chances in life to a large measure. To be classified white, a person has to be "white in appearance" and "not generally accepted as a Coloured person," or be white in appearance and "not in appearance obviously not a white person (sic)." (London *Guardian*, July 25, 26 and 27, 1983.)

Continued delay in Angola talks slows Namibia negotiations

The slow pace of negotiations with Angola over the Cuban troop withdrawal issue, as well as South Africa's decision to create another "interim" government for Namibia, threaten to delay the implementation of independence for the territory.

In Angola, Jonas Savimbi's UNITA rebellion, backed by South Africa, is draining the MPLA government's revenues, increasing its sabotage of key economic installations and reportedly expanding its control over Angolan territory. In late July, UNITA blew up a what it said was a government troop train that was also carrying Cuban advisers.

The seriousness of the rebel threat seemed to be reflected by Angola's offer in July of a general amnesty for UNITA guerrillas. Observers said the deteriorating military situation makes it virtually impossible for dos Santos to send home the estimated 18,000 Cuban troops, a key U.S. demand for the implementation of the UN plan for Namibian independence.

South Africa meanwhile went ahead in July with plans to appoint a Namibian state council to draft a new interim constitution for the territory. South African officials said the constitution will be designed to run Namibia only until independence, but critics seized on the plan as another South African pretext to delay independence.

In their view, Prime Minister Pieter Botha wants the settlement—and the probability of a SWAPO election victory—delayed until the white electorate recovers from the divisions prompted by his constitutional "reform" proposals.

In Namibia, many of the internal political parties, of which there are more than 40 in a territory of about one million people, said they would boycott the state council. The leader of one small party characterized the proposed administration as the "permanent interim government," noting that the acronym was appropriate. (*New York Times*, July 30 and August 2, 1983; Johannesburg *Star*, July 25, 1983; London *Observer*, July 24, 1983.) □

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boycott. Police and armed vigilantes were reportedly forcing people who were commuting in taxis, trains, and private cars, to board buses. Authorities, accusing car owners of carrying passengers illegally, have impounded hundreds of vehicles.

A state of emergency, including a curfew, was imposed one day before the shootings in the wake of numerous incidents of unrest. Violators of the curfew face fines of over $1500 or two years imprisonment. (London *Guardian*, August 5, 1983; Umtata Radio, August 4, 1983; Johannesburg Radio, August 4, 1983.)

• Defense Minister Magnus Malan issued a stinging criticism of the press in July, warning that the government would not allow "lies and blatant propaganda to be dished up to the public."

Gen. Malan charged that "Marxist-inclined" correspondents "in some of our neighboring states" were sending "absolute lies" to South African newspapers. He singled out reports that dealt with Pretoria's alleged efforts to destabilize some of its neighbors.

In South Africa, the police have formally warned two newspaper editors, Rex Gibson of the *Rand Daily Mail* and Johnny Johnson of the generally pro-government *Citizen*, as well as the head of the South African Press Association, that they were being investigated for publishing allegations of police brutality in Namibia. The three could face prosecution under the Police Act. (*New York Times*, August 1, 1983; *South African Digest*, July 15, 1983; London *Times*, July 5, 1983.)

Sun City lures Americans

Sun City, the gambling and entertainment complex in the Bophuthatswana homeland made "independent" by Pretoria, is continuing to attract foreign athletes and performers by dangling huge fees in front of them.

Since Sun City opened several years ago, hundreds of foreign celebrities have been enticed into performing there. Many anti-apartheid activists, in South Africa and elsewhere, consider the resort a public relations effort to improve Pretoria's image. The homeland of Bophuthatswana does not practice apartheid, and some entertainers justify their willingness to perform there by pointing out that the homeland is racially integrated.

Foreign celebrities may be more directly inspired to appear at Sun City by the enormous performance fees they receive. Some of the fees are so large that they seem likely to be subsidized by the Pretoria government, for otherwise it is difficult to see how the resort could make a profit.

A case in point is the Million Dollar Challenge golf tournament, one of the richest sporting events in the world. The tournament winner receives $400,000, and the next three finishers receive between $300,000 and $100,000 each. Last year, the Million Dollar Challenge attracted Jack Nicklaus, Lee Trevino, Ray Floyd, Johnny Miller, and the Spaniard, Seve Ballesteros. Tom Watson has declined to compete in the tournament, but Sam Feldman, the director of the event, said, "I am going to have another bash at persuading Tom to come out. He's the one superstar we haven't yet had in our tournament."

Sun City also sponsors a Million Dollar Challenge in tennis. In July, Jimmy Connors won that competition, and the first prize of $400,000, by defeating Ivan Lendl of Czechoslovakia. Johan Kriek, a South African who is now an American citizen, finished third in the tournament. Notably absent were John McEnroe and Bjorn Borg, who have both refused to compete in Bophuthatswana.

In May, Linda Ronstadt played five concerts in Sun City for a fee said to be approximately one million dollars. She was only the latest of many famous Americans to perform there. Kenny Rogers, Frank Sinatra, Glen Campbell, Paul Anka, Neil Sedaka, Olivia Newton-John, and even black entertainers such as the O'Jays, Millie Jackson, and Shirley Bassey, have all performed recently at Sun City.

Frontline states restrict journalists

In an effort to combat what they termed "South Africa's campaign of systematic disinformation" against neighboring states, the frontline nations of Angola, Mozambique, Tanzania, Zambia, and Zimbabwe banned Western journalists who are based in South Africa. "What we want is a total information disengagement from South Africa," explained Justin Nyoka, a spokesman for Zimbabwe's information ministry.

The decision brought immediate protests from South Africa-based foreign journalists, who denied being influenced by South African propaganda. Western news organizations have claimed that Pretoria also views them with suspicion, and that it would be financially impossible to place reporters on both sides of the South African border.

Upon seeking clarification of the ban, the journalists were informed that it would not apply to all South Africa-based journalists, but only to those whose reporting has not been "appreciated" by the frontline states. A team of BBC correspondents who were expelled from Zimbabwe immediately following the decision were then told that they might be invited back to cover the 1985 elections.

• Zimbabwe followed the general ban with a more specific order of its own, empowering the minister of information to censor or prohibit coverage of government operations against "dissidents." Journalists will be required to submit their reports to the government for approval before publication. The new regulation has been enacted under the Law and Order Maintenance Act, a security provision once invoked by the regime of Ian Smith to restrict coverage of the war which brought majority rule to Zimbabwe. (London *Observer*, August 7, 1983; London *Times*, August 4, 1983; *Washington Post*, August 2, 1983.)

Swaziland

• Queen Regent Dzeliwe was forced to **step down** in mid-August after ruling Swaziland since the death of her husband, King Sobhuza II, last year. Her ouster marks a victory for traditionalist elements within Swaziland's royal family, who announced that the move was in accordance with "Swazi law and tradition."

The Queen, or "Great She-Elephant," was one of Sobhuza's 70 wives. She rose to power through a complicated rule of succession and followed in Sobhuza's footsteps, trying to strike a balance between tradition and reform in Swaziland. Sobhuza had been attempting to effect a transition to a constitutional form of government without totally dismantling traditional power structures. It was one of these traditional groups, the Supreme National Council, or Liqoqo, which forced the Queen's resignation.

At the same time, the Liqoqo announced that Sobhuza's 15-year old son, Makhosetive, would become the new king upon reaching his 21st birthday. Until that time, his mother, LaDwhala, will reign as queen. Makhosetive will continue to attend school in Britain, in accordance with his father's wishes.

The new queen is much younger than Dzeliwe and it is likely that, at least for the near future, the Liqoqo will have increased influence in Swaziland. The Liqoqo is in favor of a proposal under which South Africa would cede 3000 square miles of coastal territory to Swaziland in exchange for Swazi cooperation in controlling ANC activity. (*New York Times*, August 11, 1983; *Washington Post*, August 11, 1983.)

Zimbabwe

• In an attempt to ease tensions in Matabeleland, Prime Minister Robert Mugabe has ordered the troops of the Fifth Brigade to **return to their barracks**. At the same time, the government relaxed the curfew in Matabeleland and distributed literature offering limited amnesty to dissidents willing to cease their activities. These conciliatory moves follow an earlier statement by Mugabe in which he ruled out the possibility of a political solution to dissident activity in Matabeleland.

Josiah Chinamano, head of ZAPU in Joshua Nkomo's absence, and leading Catholic figures have called for a judicial inquiry into allegations that the Fifth Brigade committed atrocities against the civilian population during the campaign to control the dissidents. The withdrawal of the Fifth Brigade, according to some analysts, may also have been intended to eliminate the pressure for such an inquiry.

According to military sources in Zimbabwe, the Fifth Brigade is now being trained by the British Military Assistance Training Team, which may indicate that the soldiers are being prepared for a different assignment.

A strong military presence will remain in Matabeleland, however. The Second Brigade, a regular army unit, has been transferred to the area to replace the departing troops of the Fifth Brigade. There are also six other army, police, and intelligence groups operating in the area.

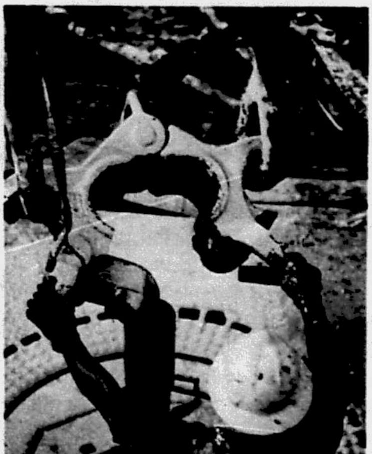
The Zimbabwe government has made the security of the white farmers in the area one of its main priorities. In the last 18 months 23 white farmers have been killed. Over half the commercial farm land in the province is now for sale, and many farmers have emigrated to Zambia or South Africa to escape the violence.

Parliament has voted to maintain Zimbabwe's state of emergency for at least six more months. Originally enacted by Ian Smith 18 years ago, the Emergency Powers Act has been renewed seven times by successive governments. In the same session of parliament, Mugabe also defended his government's decision to detain Dumiso Dabengwa, former intelligence chief of the disbanded Zimbabwe People's Revolutionary Army, and five of his colleagues after they were acquitted of treason charges. Mugabe said, "My government holds them responsible, despite the court's ruling." He gave no indication of when the detainees would be released. (London *Times*, July 12 and 13, August 1 and 6, 1983; *Africa Now*, August 1983; London *Guardian*, July 13, 14, 16 and 29, 1983; *Washington Post*, July 15, 1983; Harare Radio, July 1 and 10.)

What Prospects for the Oil Industry?

BY HOWARD SCHISSEL

Africa represents one of the globe's rare "last frontier" areas for the oil industry. Although exploration for hydrocarbons began almost 50 years ago, Africa's oil potential has hardly been tapped to date. With some 215 million tons produced in 1982, the continent represented about 8% of total world oil output. In spite of the soft oil market during most of 1982 and the first half of 1983, exploration and development activities in Africa — or more particularly in the booming Gulf of Guinea area stretching from the Ivory Coast down to Angola — have only slightly slowed down. The probability of surging output from western and central Africa means that the continent should account for at least 10% of the globe's oil production by the end of the 1980s and as much as 12-13% toward the year 2000.



Offshore drilling in Nigeria: New oil discoveries are being made from Ivory Coast to Angola

Oil production in Africa is unequally spread out. Nigeria, with 64 million tons in 1982, remains the continent's heavyweight. The northern African states of Algeria, Tunisia, Libya, and Egypt accounted for more than half of Africa's output last year, with 126 million tons. Gabon, Angola, Congo, and Cameroon are still relatively small producers, but their promise is high. Ivory Coast and Benin have only recently joined Africa's oil league, with self-sufficiency their goal in 1983. The search for hydrocarbon resources has moved into high gear in previously ignored states like Mauritania, Senegal, Guinea, Liberia, and Equatorial Guinea. Hinterland states in West Africa such as Niger and Mali have also gotten into the act. East Africa, long ignored by the oil industry, has also been attracting increased interest. In May, Mozambique awarded its first exploration acreage contract since independence.

The boost to the African oil industry dates from the first oil price rise in 1973-74. Suddenly prospects for high oil prices in the long term made Africa a good risk for oil companies. Another key factor was the desire to find new hydrocarbon resources, like those in Mexico and the North Sea, which lie outside the membership of the Organi-

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zation of Petroleum Exporting Countries (OPEC) in general and the Middle East in particular. This largely accounts for the fact that between 1975 and 1979, exploration permits granted in Africa to the top 20 multinational oil companies totaled 1.8 billion square kilometers, a figure equal to 52.2% of all new exploration acreage awarded over this period. The actual rate of drilling in Africa, however, did not grow in relationship to the number of new exploration licenses granted. This gap strongly suggests that the rush of Western oil groups into Africa during the 1970s was motivated by the will to occupy the terrain for the future and beat out competitors in the search for attractive hydrocarbon resources.

Between 1971 and 1980, the number of exploration wells, familiarly called wildcats, drilled on the African continent averaged only 245 per year, compared with 450 in Latin America and 9,800 in the United States. Thus, for every wildcat spudded in Africa, 40 were sunk on American territory. Oil industry officials make no secret of the fact that stepped-up drilling operations in Africa should yield handsome dividends. Projections for Africa to the year 2000 indicate the potential discovery of another 7 billion tons of oil and 350 billion cubic meters of natural gas, representing respectively 12.7% and 13.7% of new resources likely to be uncovered throughout the world in the next 17 years.


Photo: Camerapix

Nigerian President Shagari with the late King Khalid of Saudi Arabia: African members of OPEC play a secondary role

Other statistics also reinforce a promising outlook for the African oil industry. Of the world's 74.2 billion square kilometers of prospective oil-bearing areas, 18%, or 13 billion square kilometers, are located in Africa, placing it ahead of both North America and Latin America. Likewise, Africa's ultimately recoverable remaining oil resources, at 41 billion tons, far surpass the 26.3 billion tons estimated for North America and the 18.6 billion tons in Latin America. At the 1982 production rate, the resource life of Africa's oil is close to 200 years, while it is just over 50 years in Latin America and 47 years in North America.

Another magnet attracting oil firms to Africa is the possibility of chalking up high profit margins. Compared to profits that rarely exceed $2 per barrel in OPEC states, oil companies can often count on margins superior to $5 per barrel in smaller African oil-producing countries. Even in Africa's OPEC members, oil companies often enjoy favorable conditions. Gabon, for instance, does not enforce OPEC's recommended tax and ownership guidelines; its tax rate on oil is around 73%, against 85% in most other OPEC states. Oil groups have successfully applied pressure on Nigeria over the past 18 months, resulting in the doubling of their profit margins to between $1.60 and $2 per barrel.

The four African members of OPEC tend to play a secondary role in the organization's strategic deliberations. With only 7 million tons per year, Gabon's influence is marginal. Nigeria has been at loggerheads with OPEC tactics, and there was even a call within the country to leave the organization. Libya is no longer in the OPEC vanguard for pricing shock tactics. During 1982, the Libyans were known to be regularly turning aside OPEC official prices to sell their oil at a discount. Algeria, for its part, does not have the hydrocarbon clout to weigh significantly on OPEC decisions. Talk of other African producers such as Angola eventually joining OPEC has so far failed to result in decisive action. A medium-sized producer like Egypt prefers to remain outside OPEC in order to benefit from greater pricing flexibility.

African oil-producing states — both OPEC members and independents — have sought over the past few years to gradually wrest a greater share of the immense wealth extracted from their subsoils away from the Western oil groups and play a more prominent role in the development and exploitation of their own hydrocarbon resources. Western oil corporations defend their high profit margins in Africa on the grounds that the continent is a high-risk area. A closer evaluation of the facts reveals that Africa presents no higher risks than other Third World regions, or in fact the industrialized world. Indeed, political pressure is stronger on oil firms operating in the North Sea than in the Gulf of Guinea. Basic legislation has hardly been altered in most new African oil producers over the last decade.

Another argument commonly put forward in industry circles is the high cost of operations in Africa due to lack of infrastructure and the distance from home bases. In this respect, difficulties are perhaps greater in Alaska or northern Canada, but few oil groups complain about conditions there. By the same token, climatic conditions and technological headaches are much worse in the North Sea than along western and central Africa's continental plateau. Moreover, the geological risk factor in Africa is extremely low, with the rate of discoveries relative to the number of wells drilled among the highest in the world.

In their relationship with multinational oil companies that operate around the globe, African states are often in a disadvantageous position. If a dispute develops between an oil company and its host country, the former is often able to resist for a longer period. The classic example is the imbroglio that developed between Congo and France's state-controlled Elf Aquitaine and Italy's Agip in the mid-1970s over fiscal legislation. The two European firms found "technical" reasons to slow down output, practically suffocating Congo's precarious finances. Under extreme pressure, Congolese officials were obliged to accept a compromise solution that hardly met their aspirations.

In addition, oil companies can become veritable "states within a state" due to their strong positions in small African countries. Elf Aquitaine, for example, controls some 85% of Gabon's output, and during the late 1970s it only sluggishly pursued exploration efforts. The result was a sharp decline in Gabon's official reserve levels. As a means of putting Elf on the defensive, Gabonese officials opened up acreage to other oil companies. Standard Oil of Indiana (Amoco) struck oil in 1981 on a block previously explored and abandoned by Elf. Since then, Elf's exploration expenditures have more than doubled, and several new fields have been uncovered in the southern part of the continental plateau.

The playing off of one oil company against another can produce positive benefits in the short run for African states, but it has its limits too. Phillips Petroleum of the U.S. picked up exploration blocks in the Ivory Coast's offshore area previously scorned by Elf. Having discovered the Espoir field, it became embroiled in a severe tug of war with the Ivorian government over equity ownership of the deposit. This has resulted in a slowdown of exploration development activity. In the longer run, therefore, it is only the building up of efficient indigenous oil companies and regional cooperation and coordination that could tip the balance more in favor of African producers.

The sudden inflow of hydrocarbon wealth, if not correctly managed, can have a negative impact on fragile African economies as well as stirring up sharp social pressures. An avalanche of foreign exchange and public revenues often touches off spending sprees with strong inflationary effects. In the rush for development, proper planning of projects tends to be ignored and sometimes even their ultimate utility is questionable. Rapid growth, often artificial, puts severe strains on rudimentary infrastructure such as ports, railways, roads, and telecommunications, and rapidly stimulates the expansion of state bureaucracies. When the oil cycle reaches a low point, as during the last 18 months, the economies of oil-producing states like Nigeria are thrown into disarray, and the inherent weaknesses of an oil-based economy become painfully evident.

The temptation to privatize oil wealth is also great. Politicians and government employees can often count on personally receiving a percentage of funds they allocate for development schemes and corruption can reach unbearable levels. Easy oil income encourages the importing of prestige goods and the flourishing of non-productive trading companies and agents. Inevitably, agriculture is placed on the back burner. For instance, in the pre-oil days, Nigeria was a net exporter of agricultural products; today it has to spend a growing portion of its oil earnings to feed a rapidly growing population. Conspicuous consumption in the urban areas, where the oil wealth is concentrated, acts as a strong pull on rural youth. Finally, the oil sector is a capital-intensive industry, employing imported technology and manpower. There is almost a total absence of involvement of domestic factors in the oil industry, which becomes a privileged enclave.

If distortions spawned by the oil industry are most apparent in Nigeria because of its size and predominance in African politics, even a diminutive state like Gabon can be stung, as when the oil bubble burst toward the end of the 1970s. This central African nation with a population of only some 600,000 went on a spending extravaganza that brought the economy to the verge of collapse when oil revenues unexpectedly dipped. Newer African producers like Cameroon and the Ivory Coast are attempting to learn from the bitter lessons of Nigeria and Gabon. Former President of Cameroon Ahmadou Ahidjo was fond of saying, "Before oil there was agriculture, and after oil there will be agriculture." Nevertheless, the Cameroonian economy is already becoming dangerously dependent on oil, and this state of affairs is liable to be exacerbated in years to come.

The decline of the oil market since the beginning of 1982 and the drop in oil prices has again underlined the fragility of oil-fueled economies in Africa and elsewhere in the Third World. Sub-Saharan African oil producers have been obliged to revise downward their development plans, enforce strict austerity measures, and sometimes seek financial assistance abroad. A brief review of the situation in the principal Gulf of Guinea oil states clearly underscores the structural problems they are facing.

After dipping to less than 500,000 barrels per day (b/d) at the end of 1982, Nigeria's output had climbed over its 1.3 million b/d OPEC quota level by mid-1983. Hard-pressed for cash, Nigerian officials will pull out all stops to keep oil sales at as high a level as possible without contravening official OPEC price levels. If the Federal Republic is able to maintain its market share thoughout 1983, the worst of its current economic crises will be behind it. The agreement in principle with the International Monetary Fund for a conditional loan of between $2 and $2.5 billion, subject to the introduction of economic adjustment measures recommended by the IMF, should take considerable pressure off state finances. An agreement in principle has also been reached with about 30 Western banks to turn overdue letters of credit worth some $1.5 billion into a three-year loan. The outline of the economic stabilization plan suggested by the IMF probably won't be announced until early autumn.

Nigeria's immense oil and natural gas resources are underpinning foreign financial aid. The country's estimated reserves at present are in the neighborhood of 20 billion barrels, a figure that most oil experts reckon could be doubled with more systematic exploration. Drilling activities have slowed down in 1983 as Western oil companies pause to assess the future of the world demand for oil and their own potential in Nigeria. The larger established companies on the Nigerian scene like Mobil, Gulf, and Royal Dutch Shell are concentrating on development and the upgrading of productivity on existing fields. On the other hand, companies with less extensive holdings like Texaco, Elf, and Agip are investing in the future through ambitious exploration and development programs.

After years of stagnating output, Angola is finally poised to surge into second position among sub-Saharan oil producers by 1985-86. Production reached some 160,000 b/d during the first half of 1983, against 145,000 b/d last year. Oil experts believe that Angola could produce as much as 500,000 b/d by the end of the decade. This upsurge is the direct result of the $1.4 billion investment program undertaken by Gulf Oil and the Angolan state oil company, Sonangol, with U.S. Export-Import Bank backing, to expand output from the offshore Cabinda fields from 85,000 b/d in 1982 to about 200,000 b/d in 1985. South of the Zaire River, Angola's oil prospects are first starting to be known. Texaco is producing some 20,000 b/d from its acreage and hopes to double this figure by 1985. The best news, however, is from Elf's Block 3: five commercial fields have been discovered and more are likely in the pipeline as wildcatting continues. The first fields are to be brought on stream towards the end of 1984. Elf officials expect to be producing at least 100,000 b/d by 1990 and perhaps even more. Exploration between the mouth of the Zaire River and the area southward to Luanda is just really getting underway, so other significant discoveries are not to be ruled out during the next few years.

If long-term prospects are excellent, Angola has also suffered from declining oil revenues, which account for about 90% of total foreign earnings. With the Angolan economy in a deep trough and defense expenditures high, oil revenues are the pillar on which state finances rest. Austerity measures were introduced early in 1983 — reductions in imports, slashing of recurrent state expenditures, and curtailment of development spending.

Despite rising oil production, Congo is revising downward its 1982-86 development plan. Output averaged 90,000 b/d in 1982 and is scheduled to reach 110,000 b/d this year and 150,000 by 1985. Only top priority infrastructural schemes will not be sliced, while secondary projects are being shelved. Congo is again locked in dispute with Elf over the question of fiscal levies, with the French company saying that it could trim investment if an acceptable modus vivendi cannot be hammered out.

The constant decline in Gabon's output has been stemmed at 140,000 b/d in 1982 and output could again climb to 170,000 b/d at the end of 1983 with the coming on stream of Amoco's offshore Inguessi field. With new discoveries by Elf too, Gabon should be able to maintain exports in the 160,000 b/d range for another 10 years at the minimum. The government and Elf are involved in hard-nosed negotiations to raise Gabon's shareholding in Elf-Gabon from the present 25% to between 35% and 41%. With the prospect of lower oil income, Gabon has recently introduced measures to trim public expenditure.

Cameroon's oil output shot over the 100,000 b/d plateau in 1982 and could well attain 250,000 b/d by 1985-86. Until early 1983, all Cameroon's production originated from offshore fields in the Rio del Rey area operated by Elf. Last spring, the second French state oil group, CFP-Total, brought its Victoria field into production, while Pecten, a U.S. Shell subsidiary, is to bring another offshore field on stream toward the end of 1983. Cameroon's oil revenue is subject to much speculation, as only part of it officially enters into the state budget, the rest being administered in the greatest secrecy from the presidential palace. Government officials never tire of saying that the country's oil wealth is circumscribed, but the dearth of information gives rise to uncontrollable rumors and the sentiment in public opinion that oil wealth is being improperly utilized. Western financial bodies have also discreetly complained about the highly unorthodox nature of Cameroon's public accounting system.

The Ivory Coast will be self-sufficient in oil by the end of this year, and a net exporter by 1984. Beyond this point, the future of the Ivorian oil industry remains shrouded in mystery. The oil-price slump and general industry uncertainties, added to troubled company-government relations, have combined to greatly slow down offshore drilling in 1983. The main bone of contention involves the Espoir field — the ultimate equity division on two of the three blocks covering the field is still an open question. The state oil company, Petroci, has the option of raising its share from the present 10% up to 60% on two of the three blocks. Under these conditions, Phillips is hardly enthusiastic about engaging in major exploration-development expenditures, so the situation remains stalemated. If past experience of government-company relations in Africa are any indication, the Ivorian authorities have just engaged in the first battle of a longer-range struggle to control a greater share of their country's resources.

Despite the oil glut over the past 18 months, Africa's place on the world oil scene looks secure for the future. Already African producers supply the United States with some 40% of its oil imports, with France purchasing about 20% of its needs from Africa — a figure likely to rise to around 30% by the end of the decade. Because African crudes tend to be of the light, low-sulphur variety, they are generally much sought after by buyers in the industrialized world.

From the exploration point of view as well, Africa is well placed. Between now and the year 2000, it will be possible to discover on the continent new oil reserves totaling 121 billion barrels and 480 trillion cubic meters of natural gas, according to a recent report prepared by Italy's Agip. If these reserves are of relatively modest size when compared with the Middle East's, discovery costs in West and Central Africa are almost as low as in the Persian Gulf. A comparison of discovery costs conducted by the Geneva-based Petroconsultants shows that at 40 cents a barrel, Africa has an advantage over North America, where costs vary between 50 and 60 cents a barrel, the Far East at 90 cents, and South America at $1.40.

The great challenge for the nascent African oil industry lies in producing countries winning a greater share of the benefits derived from the extraction of hydrocarbons from their subsoils. Procuring a larger portion of the oil wealth and greater autonomy in their relations with giant multinational oil companies will be a difficult uphill struggle for Africa. It takes, for instance, several decades to train a sufficient number of technicians, engineers, and commercial agents to make the dream of a viable national oil industry a reality for African states. It has only been in recent years that older producers like Algeria, Libya, and Nigeria have started to reap the first fruit of their long-term commitments to establish strong national oil companies. The task will be more difficult for the smaller producers.

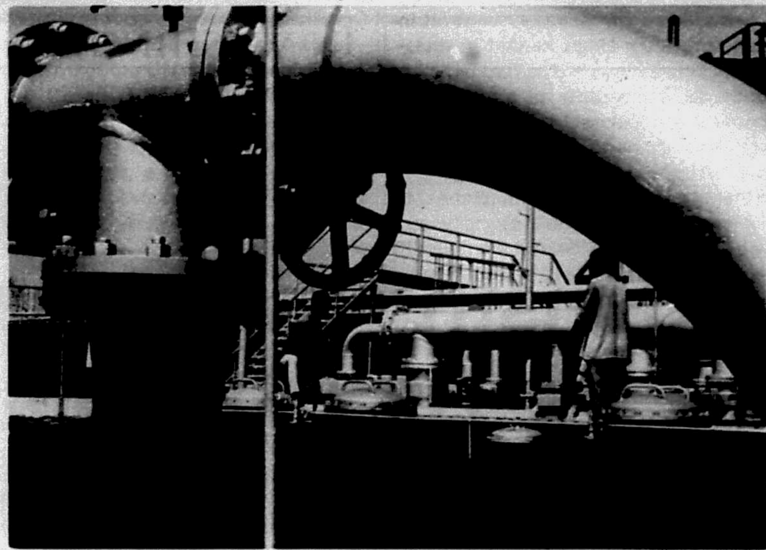

Photo: United Nations

Oil pumping station in Gabon: Profit rates in smaller African producers are higher than in OPEC countries

There is considerable room for cooperation between African nations in the oil sector. Already Algeria is at work drilling for oil and gas in Tanzania's offshore area. This, however, remains an exception to the rule. The vast sums required for exploration and development activities means that Africa will be dependent on the Western oil industry for many decades. But this does not imply that African states cannot win a fair deal in their relations with Western oil groups. According to Nicolas Sarkis, director of the Paris-based Arab Petroleum Research Center and adviser to several African oil-producing states, African countries must demonstrate a political will to measure up to powerful oil companies.

Beyond this political nexus, African states will be obliged to upgrade their technical capabilities to better master the intricacies of the world industry. "It is necessary," remarks Sarkis, "that African oil producers have detailed studies, access to information concerning happenings in the oil industry elsewhere around the globe, trained personnel capable of monitoring the activities of oil companies operating on their territories, and the possibility of forming regional alliances with other producers to strengthen their bargaining positions." □

Constructive Engagement: An Assessment

BY JOHN DE ST. JORRE

It is not often that a regional slice of United States foreign policy receives a title, especially in Africa, traditionally the poor relation of U.S. policy, but the Reagan administration has already put its historical imprint on southern Africa with "constructive engagement." Whether attended by success or failure, whether praised or reviled, the policy will not be easily forgotten. The current administration has another year to run, but enough water has flowed under the newly built bridges to southern Africa to merit a closer look at the policy's origins, its progress, and its prospects.

Constructive engagement deserves to be analyzed at different levels since it claims a conceptual base, a style (and tone), a coherency, and a logic that, according to its practitioners, distinguish it from past attempts to deal with southern Africa. The policy, however, has drawn considerable criticism, both domestic and foreign, and has produced a mixed bag of results. Should it fail, it will have raised difficult questions about what happens next.

Interest in constructive engagement has intensified because it is the brainchild of one man, Chester Crocker, assistant secretary of state for African affairs, and because it offers the Reagan administration its best shot for a foreign policy success before the 1984 presidential election. It is ironic, though, that a conservative Republican administration should have raised its profile so high in Africa and expended so much of its diplomatic energies there.

There is another irony. The policy is by nature a broad one with many components and ramifications, but, when all is said and done, it will be judged through the narrow prism of success or failure in Namibia. The administration has upped the ante in southern Africa by trying to solve two problems at once through its strategy of linking a Cuban withdrawal from Angola with a South African evacuation from Namibia, a process that would then lead to United Nations – supervised elections and independence. The drama is heightened by the strategy's being a uniquely American one — the Western Contact Group allies and African Frontline states have gone along with varying degrees of skepticism — by a new clarity produced by the resolution of all the other major outstanding issues in the Namibian dispute, and by the sense that a final make-or-break point is close. The administration has put its money on the Cuban-Namibian card and stands to make a bundle or lose its shirt.

Crocker laid out the conceptual framework of constructive engagement in a series of articles (see *The Washington Quarterly*, summer 1980, and *Foreign Affairs*, winter 1980-81) tactically timed for the 1980 U.S. presidential elections. The aim of the policy, he argued, was to expand the United States' role in southern Africa to protect its legitimate strategic, political, and economic interests and thereby diminish Soviet power in the region. The time was ripe because of "Moscow's current isolation and irrelevance in southern Africa" and because the whites in South Africa, the key regional state, were engaged in

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"an unprecedented ferment of constitutional trial ballooning," led by a government that had committed itself to "a moderate reformist process whose ultimate end remains utterly unclear." Moreover, Zimbabwe, finally independent under a black government, was looking eagerly to the West for support. Mozambique, despite its Marxist and pro-Soviet orientation, was also showing interest in closer Western ties.

U.S. leverage, Crocker admitted, was limited. But in dealing with South Africa, the "innovative feature of constructive engagement" was, he wrote, "its insistence on serious thinking about the sequencing and interrelatedness of change. Priority ought to be given to those arenas of change that logically lead to and make possible future steps . . .if there is a 'tilt' in such a policy, it is in favor of sustained and orderly change."

As an intellectual exercise, the elegant symmetry of Crocker's blueprint was impressive. There was, however, a disturbing though no doubt deliberate dearth of information on how the policy would be implemented, how a balance between the bitterly opposed groups in southern Africa — and the conflict between American interests in South Africa and the rest of Africa — would be struck, and how conflicting domestic pressures in the U.S. would be handled.

Reality came quickly with the election of Reagan and the appointment of Crocker as the administration's top official for African affairs. A bruising and protracted battle for confirmation by the Senate was followed by some spectacular leaks on Crocker's first serious talks with the South Africans; a failure to repeal the Clark Amendment, which forbade U.S. support for the warring groups in Angola; some progress but many disappointments in the Angola-Namibia negotiations; suspicion tinged with hostility to the new policy from many African states; and growing domestic concern about the deteriorating situation in southern Africa and the administration's friendly relations with Pretoria. But the faith and determination of its architect and its team of builders remained undimmed.

The administration has, without doubt, made some progress. On Namibia, several important problems unresolved by the Carter administration — such as a set of constitutional principles and the number and composition of the UN Transitional Advisory Group (UNTAG) — have been settled. All parties to the dispute agree that, apart from a couple of minor issues, a Namibian settlement is on the stocks, ready to be launched when the South Africans give the word.

However, the United States takes the position that Pretoria cannot be expected to relinquish Namibia until its own security concerns are met by the withdrawal of Cuban troops from Angola. The South African government agreed somewhat late in the day that this was indeed its main concern and has stressed that it is ready to hand over the territory as soon as the Cuban combat forces leave. It is interesting to note, however, that in the leaked State Department documents (published by TransAfrica), which chronicled one of the first top-level meetings between the United States and South Africa, the Cubans were hardly mentioned. The South Africans' main concern, voiced in forthright terms, was the unacceptability of a South-West Africa People's Organization (SWAPO) electoral victory, which, they asserted, would mean a "Moscow flag in Windhoek."

The United States is still engaged in intensive diplomacy to persuade the Angolan government to accept a phased withdrawal of its 25,000 Cuban soldiers as the price for a Namibian settlement and a removal of the South African forces from the southern part of the country and Namibia. The South African government, meanwhile, is waiting for the United States to deliver its side of the bargain before it has to contemplate delivering its own.

In other areas, the administration can chalk up some points. After a long bad patch, relations with Mozambique are improving; a dialogue with Angola has been established, although there is no formal relationship nor will there be until the Cubans leave the country. (The Ford and Carter administrations adopted the same stance.) The Reagan administration has continued the Carter policy of giving Zimbabwe a special place in its aid program and has used its influence with South Africa not to turn the economic screw as a reprisal for Zimbabwe's unfriendly political posture.

In South Africa itself, the administration, while eschewing public criticism of human rights violations, has worked behind the scenes to discourage some of the more obvious abuses. Winnie Mandela, the banned wife of the imprisoned African National Congress (ANC) leader, Nelson Mandela, attributed the government's decision to "urban" 61 people — though not herself — to Pretoria's desire to please the Reagan administration. The United States is also building on several Congress-initiated aid programs and adding some of its own, to help improve black South Africans' education. The administration has reacted cautiously to the South African government's proposed constitutional reforms. According to Crocker, interviewed in the winter-spring 1983 issue of *SAIS Review*, they are "a step in the right direction" and the general process is worthy of encouragement but the U.S. does not "endorse any specific element of it."

In the absence of a clear-cut verdict on constructive engagement, the style and tone of the policy have come under close scrutiny. Small carrots offered to the South Africans (in this case, more consulates, coast guard training, easing of "gray area" sales to the police and military, and so on), official visits, votes in the United Nations, and other "signals" have always been closely monitored, but never more thoroughly as the Reagan administration has tested the waters and become "constructively engaged" with South Africa.

Crocker's personal style — intellectual, cautious, introverted — has been reinforced by the dictates of his own diplomacy, in which discretion and holding the cards close to one's chest are the order of the day. Burned by the early leaks and perhaps affected by the anti-media paranoia of the administration, Crocker has assembled a small inner cabinet of confidants, consisting of Frank Wisner, former ambassador to Zambia, his principal deputy and pointman with the Africans; Daniel Simpson, head of the southern Africa bureau; and Robert Cabelly, Crocker's young special assistant, who previously worked in London with Consolidated Goldfields, a South African mining company, and who is valued for his knowledge of South Africa and his contacts on Capitol Hill.

Crocker's quiet diplomacy has brought rewards and penalties.

Through concentrating almost exclusively on the South African government's concerns in his first year, he undoubtedly upset many influential African governments, including Angola and the other Frontline states, which are as important to his overall strategy as South Africa itself.

Crocker found that he had to run to catch up with the African side of his diplomacy. Vice-President George Bush was enlisted and made a tour of key African countries last winter as part of a concerted effort to allay African suspicions about constructive engagement but also to stress that the administration intended to pursue its linked Cuban-Namibian strategy. The Africans still view the policy with serious misgivings, but Crocker's efforts won a breathing space last spring when, at an important UN Security Council meeting on Namibia, the African Group agreed that the United States should continue to pursue its chosen route to a Namibian settlement.

The fallout in other directions has been equally mixed. Relations with Congress have deteriorated although most legislators had given the administration the benefit of the doubt, heeding repeated pleas for patience and understanding while a delicate and ambitious diplomacy was launched. But it is now clear that much of the patience is wearing thin. There has been a spate of bills and resolutions restricting dealings with South Africa, such as banning or taxing krugerrands, prohibiting U.S. bank loans to the South African government, barring U.S. support for International Monetary Fund (IMF) loans to Pretoria, and other measures.

Analysts on Capitol Hill cite several reasons for this surge. Perhaps the most important is the sense that constructive engagement has neither reduced southern Africa's regional instability, in which South Africa's destabilization tactics are a major element, nor made any significant difference to the oppressive nature of apartheid within the Republic itself.

Then, too, the approaching U.S. presidential elections have made senators and congressmen look to their records on Africa at a time when there appears to be growth in black political awareness around the country and a sharper focus on African issues through lobbying groups such as TransAfrica. Aides on Capitol Hill say that although the administration talks to them it rarely tells them anything of importance, a complaint shared by the media. Crocker, in his public appearances, invariably puts on a good show in his academic and diplomatic way; but his speeches tend to lack substance, and occasionally the nuances are so nuanced that his signals get crossed. During a speech he made in Honolulu in August 1981, for example, he said it was not the task of the U.S. government "to choose between black and white in South Africa," leaving the impression that the United States had abandoned its traditional opposition to apartheid. Subsequent government statements stressed that this was not the case.

Unlike some of his State Department colleagues, Crocker has been fortunate in not having to fight bitter internecine battles with other centurions in the bureaucracy, including the praetorian guard in the White House. He appears to have enjoyed the confidence of key figures such as William Clark, the national security adviser, and the president himself. There are, however, indications that the White House wants its pound of flesh — a Cuban-Namibian settlement — and that Crocker and his team realize they need broader understanding and support on the domestic front for the policy as a whole.

A serious attempt to achieve the latter came in a speech on the administration's policy in southern Africa by Lawrence Eagleburger, undersecretary of state for political affairs (third in the State Department hierarchy), in San Francisco last June. It represented the clearest exposition to date of what constructive engagement is all about, and it appeared to be principally aimed at the administration's liberal critics in Congress. Cuban-Namibian "linkage" was played down; instead, a "broad principle of applicability to the region at large" — reciprocity — was highlighted. More than a third of the speech was devoted to South Africa itself and was introduced by the strongest condemnation of apartheid — "the political system in South Africa is morally wrong" — made by the administration thus far. Significantly, Jonas Savimbi's UNITA movement in Angola, which the administration had regularly characterized as a "legitimate political force," was not mentioned.

The speech drew criticism from P.W. Botha, the South African prime minister, underscoring a point that the administration has often made: evidence of constructive engagement's evenhandedness is reflected in the concern that the policy raises from time to time within South African government circles. South African officials explain that suspicion of American intentions comes mainly from the right wing, who view constructive engagement as a Trojan horse that will lead to black rule, and from the military, who still harbor the memory of the United States' alleged broken promises of assistance when the South Africans invaded Angola in 1975.

But this raises another problem. South Africa has savored the essense of constructive engagement. It has nibbled a few American carrots ("gobbled them up," to quote former UN ambassador Donald F. McHenry). It has borne Washington's quiet strictures for the excesses of its internal policies and its freewheeling tactics in the region. However, Pretoria knows that the real prize — a full Western embrace, including the lifting of the arms embargo — will never be available until there is major political change in South Africa. What, then, does the United States have left to offer? Even the removal of the Cubans from Angola is not such an exciting prospect if it leads to the installation of the "Marxist" Sam Nujoma and his SWAPO guerrillas in Windhoek, although it does provide the South African government with a useful card when playing its hand against the right-wingers at home, who will inevitably accuse it of selling Namibia's whites down the river. But why should South Africa move at Washington's pace on Namibia and on internal change rather than its own? Why should it move at all?

In reply, the administration seems to have two strategies, both of them embryonic and insubstantial. The first is an inducement. If Pretoria cooperates, Crocker wrote in a 1981 "Scope Paper" for the secretary of state (see TransAfrica News Report Special Edition, August 1981), the U.S. can "offer it a future in which South Africa returns to a place within the regional framework of Western security interests." But, he continued, "any implication that we can return to 1945 is unrealistic, given firm international commitments such as the arms embargo. We can, however, work to end South Africa's polecat status . . . and seek to restore its place as a legitimate and important regional actor with whom we can cooperate pragmatically."

The second approach — what happens if South Africa does not cooperate — is a muted threat that would amount to an abrupt end to a promising courtship. The relationship would, in effect, move from a purgatory whence heaven is glimpsed and known to be attainable, to a limbo where all hope is extinguished. A dispatch into hell would not be contemplated, although some U.S. officials warn darkly that there is no fury like a conservative Republican administration scorned.

Looking down the pike in this fashion has only fueled the fears of the administration's left- and right-wing critics. The liberals argue that Crocker has the cart before the horse. The main problem in their eyes is not the Cuban and Soviet influence — though neither is benign — but South Africa's illegal presence in Namibia and southern Angola and its oppressive racial policies at home. They also stress that violence has increased in the region, with Pretoria reading a green light into the signals coming from Washington, and that the linkage strategy for solving the Cuban-Namibian problems is a mistake and a recipe for failure. Right-wing critics like Senator Jesse Helms (R-N.C.), who so stubbornly contested Crocker's appointment, argue that the way to get the Cubans out of Angola is by strong-arm methods — stopping Gulf Oil operations and supporting Savimbi.

Set against these arguments and the policy itself is the inexorable march of events in the region. Among these are the continuing strength of the major nationalist groups (SWAPO and the African National Congress), the determination of the South African military to hit hard across borders, the collapse of the Democratic Turnhalle Alliance, Pretoria's "internal option" in Namibia, the split of Afrikanerdom over constitutional reform in the Republic, and the growing militarization of the South African decision-making process. Most analysts agree that for all its outward confidence the South African government is facing difficult choices, and they question whether it can produce the answers the West wants on both internal reforms and Namibia while under siege from its right wing.

The administration's ultimate defense for constructive engagement is that there is no alternative. The policy's critics say there is. The proper path, they say, is to distance the United States from South Africa and use what pressure exists while making it clear that it is in the Republic's own interest to hand over Namibia and set its house in order. The undertow of violence in the region does not augur well for any Western policymaker and may, in the end, be too powerful for the delicate calibrations and nuances of constructive engagement, or indeed for any similar strategy that seeks close and even-handed involvement with each side of the great divide. □

The Addis Summit: A Test for African Unity

BY MARGARET A. NOVICKI

Twenty years after independent Africa's founding fathers met in Africa Hall in Addis Ababa, Ethiopia, to sign the charter establishing the Organization of African Unity (OAU), a record number of heads of state and government returned to the organization's continental headquarters not to partake in a joyous anniversary celebration, but to attempt yet another time to devise solutions to the intractable disputes that threatened to render permanent the organization's 18-month paralysis. Well-founded apprehensions accompanied Africa's senior statesmen to Addis Ababa in early June for a third attempt to convene the ill-fated 19th OAU summit. The issue that, according to the outgoing OAU chairman, President Daniel arap Moi of Kenya, "threatened the very existence of our organization" — the Western Sahara conflict — had been responsible for the failure to convene the 19th summit as originally scheduled for August 1982 in Tripoli, Libya, and also for the collapse of several OAU ministerial meetings.

Photo: Margaret A. Novicki

Libyan leader Qaddafy leaving Africa Hall: "Only Qaddafy had reason to exit Addis in a huff"

Africa had found itself split into two opposing blocs of roughly equal size, termed the "moderates" and the "progressives," largely over the issue of seating the Saharan Arab Democratic Republic (SADR), the Polisario Front's self-proclaimed government, as the OAU's 51st member state. Had a "dynamic compromise" not been forged in Addis on this issue enabling a quorum of 34 member states required for the holding of the summit to be attained, the progressives were reportedly prepared to hold their own splinter summit, leaving Morocco and its supporters to their own devices. Tanzanian President Julius Nyerere spelled out the alternative: "This will be the last attempt. If a requisite quorum is not mustered, there is a danger of the organization being hijacked by committed members."

The imbroglio over SADR membership had frustrated the organization's efforts as far back as the 17th summit in Freetown, Sierra Leone. It was at that meeting that a simple majority of countries, 26, declared their support of the SADR as the government of the disputed Western Sahara, entitling it to admission as a member state under Article 28 of the OAU charter. The tally in favor of the Sahrawis prompted Morocco, Polisario's adversary in the war for control of the territory, to muster the support of its allies and threaten a walkout if the SADR were granted membership. Compromises and postponements of a decision enabled the 18th summit in Nairobi to be held in 1981, but when OAU Secretary-General Edem Kodjo, later claiming he had only implemented the majority's decision as required under the charter, allowed the SADR to take a seat during the February 1982 Council of Ministers meeting, Morocco, true to its word, led a 19-country walkout. Subsequent OAU meetings were hamstrung by the implications of what Moi called Kodjo's "unilateral" decision.

Hence, the 19th summit as originally planned collapsed as Morocco and its supporters successfully deprived the meeting of a 34-nation quorum. And despite the SADR's pledge not to take part in a rescheduled November summit in Tripoli, ostensibly removing the only obstacle standing in the way of a quorum, Tripoli II also failed to get off the ground, this time, however, because of Chad, home of another of Africa's seemingly irresolvable conflicts. Libya's leader, Col. Muammar Qaddafy, this time waved the red flag when the delegation of President Hissène Habré, whose forces, spurning OAU mediation efforts, had overthrown the transitional unity government led by Goukouni Woddeye in June 1982, arrived in Tripoli determined to take its seat representing the government of Chad.

Further fanning the flames at both Tripoli I and II was the venue, Libya, and the prospect of Qaddafy's serving as the continent's spokesman for one year. Many African governments (as well as the United States) believed that his alleged meddling in the internal affairs of other African states rendered him unsuitable for the OAU chairmanship, a position to which he, as host, would be entitled in keeping with OAU tradition. The failure to convene either of the Tripoli summits prompted African charges of external interference in the organization by the United States in particular, which under the Reagan administration has chosen to designate Qaddafy an archenemy. Such charges appear plausible in retrospect, considering the United States' recent sudden interest in the Chad civil war, where the rebels fighting the Habré government are backed by Libya.

In February in Nairobi, a mini-summit of 12 countries, dubbed the "contact group," agreed to shift the venue for the 19th summit to less controversial terrain and, instead of attempting to break the SADR impasse in advance, summoned Africa's leaders to Addis "without preconditions." As a last-ditch effort to bring together the heads of state yet again in hopes of achieving a breakthrough, and by apparently relying on nothing more than the personal dynamics among the leaders, the strategy succeeded in drawing the representatives of 49 out of 50 member states, as well as the disputed 51st, the SADR, to Addis in early June. What formula to break the impasse would be concocted was a mystery, leaving a quorum by no means a certainty.

Polisario's earlier pledge to attend all future meetings as a duly accredited member state and confusion over whether "without preconditions" included the SADR meant that the issue had to be resolved before an official opening could take place. Knowing that Morocco and its supporters would not take their places in Africa Hall if the delegation of Mohamed Abdelaziz, SADR president and Polisario secretary-general, was allowed entry, OAU Chairman Moi summoned a meeting of the bureau of the 18th summit — Kenya, Angola, Gambia, Tanzania, Upper Volta, Congo, Libya, Uganda, and Lesotho — to meet on June 6, dashing hopes that the official meeting would open on schedule that day. Apparently taking into account Morocco's objections that the group was stacked against it, Moi called upon 12 additional countries to join "to facilitate ongoing consultation for convening the 19th summit." Qaddafy's unexpected arrival in Addis, reportedly in the belief that he would at last be named chairman, provided another variable. Yet his suggestion of seating the SADR in return for his abandonment of efforts on behalf of Goukouni's deposed government received little quarter, since by the time of the summit most member states had tacitly accepted Habré's claim to representation of Chad. After all, the former rebel had held onto the capital, Ndjamena, for just over one year, no small feat in a country wracked by 16 years of war.

After two days of backstage maneuvering during which hard bargains were driven and considerable pressure brought to bear on the SADR by its allies as well as its detractors to abstain from the summit, the cause of African unity prevailed. According to Moroccan Foreign Minister M'hamed Boucetta, "There was a willingness on both sides not to let the threat of a breakup hang on the organization." Further, it was pointed out, of what use to the SADR would be membership in a defunct organization?

The prevailing sentiment that the SADR issue had long enough disrupted the OAU, thus sidelining more pressing matters, contributed to the determination with which a solution was sought and to the widely hailed spirit of compromise that characterized the discussions leading to the SADR's withdrawal from the meeting. In particular, Presidents Kenneth Kaunda of Zambia, Shehu Shagari of Nigeria, Abdou Diouf of Senegal, and Nyerere of Tanzania were credited with having put the Saharan issue in its proper perspective and with having induced leaders to place the survival of the organization over political preferences. A collective sigh of relief was uttered as Ibrahim Hakim, the SADR's foreign minister, stood on the steps of Africa Hall's press room to announce that his delegation was "voluntarily and temporarily" abstaining from the meeting, "taking into consideration the interests of Africa and in conformity with our wish to contribute to African unity, threatened by Moroccan expansionism . . . supported by the United States."

On June 8 the curtain finally rose on the 19th summit, albeit two days late, yet spiting predictions of failure voiced not only by the international press, but privately by delegates and OAU officials themselves. Only the irascible Libyan leader had cause this time to exit in a huff. Snubbed in his third bid for OAU chairmanship by the organization's bestowal of the honor on host Col. Mengistu Haile Mariam, and stymied in his efforts to have the SADR seated and the Habré delegation barred, he left Addis before the opening session was held, leaving delegates to speculate on whether his disappointment would be channeled into regional mischief making. Predictions that he would translate his rejection by the OAU into renewed support for his Chadian ally, Goukouni, in his bid to reclaim the Chad government, proved accurate. In fact, the renewed flare-up of the civil war shortly after the end of the summit was presaged by a Goukouni deputy, Mohamed Nur, who told journalists in Addis, "We will march on Ndjamena."

Nevertheless, the summit got underway with its major victory — a quorum — already to its credit. Fifteen consensus resolutions were passed, most with relatively little controversy, before the meeting wound up on June 12. However, an inability to elect a new secretary-general by a two-thirds majority to replace the controversial Edem Kodjo served to prolong the meeting one day beyond schedule. Again the indecision was wrought by the organization's political polarization — with the progressives supporting the candidacy of Malian Alioune Blondin Beye, and the moderates favoring Gabonese President Omar Bongo's adviser, Paul Okoumba D'Okwatségué. After 10 ballots in which the voting was split nearly evenly, Botswanan Foreign Minister Archie Mogwe's hat was tossed into the ring but failed to break the deadlock. Finally, the Nigerian OAU assistant secretary-general for political affairs, Peter Onu, a well-known figure to journalists as the organization's official spokesman, was appointed interim secretary-general until the 20th summit is held, as agreed, in Conakry, Guinea, in May 1984.

Predictably, it was the debate on the Western Sahara and efforts to forge a resolution agreeable to both sides of the dispute that proved the most nettlesome, although according to Onu the discussions were "characterized by serenity and the desire to find a solution." The resolution finally adopted, written by a three-nation committee of Senegal, Ethiopia, and Mauritania, while similar in scope to the peace plan for the Sahara adopted at the 1981 Nairobi summit, contained some significant new language. Setting a December 1983 date for a referendum for the territory, it called upon "the parties to the conflict, the Kingdom of Morocco and the Polisario Front, to undertake direct negotiations with a view to bringing about a cease-fire to create the necessary condition for a peaceful and fair referendum for self-determination of the people of the Western Sahara, a referendum without any administrative or military constraints, under the auspices of the OAU and the UN."

Photo: Philippe Ledru/Sygma

Chad President Habré: The representation of Chad was not an issue in Addis

The resolution marked the first time that the two parties to the conflict were named in an OAU document and represented the first call for direct negotiations between them. Morocco had steadfastly refused both to negotiate with the Algerian-backed Polisario Front and to recognize it as its adversary, denying its legitimacy on the grounds that its leadership, according to Rabat, is not ethnically Sahrawi, but rather comes from neighboring Algeria and Mauritania. The plan is to be implemented by an OAU committee composed of Guinea, Kenya, Mali, Nigeria, Sierra Leone, Sudan, and Tanzania, which will report its results to the 20th summit with a view "to reach a final decision on all aspects of the question of the Western Sahara" — presumably the disputed SADR membership.

Whereas Morocco accepted the resolution "with reservations," the Polisario delegation was clearly pleased with its wording. Abdelaziz said, "The Sahrawi people struggling for their legitimate right to national independence have won an important victory through the historic verdict return by Africa at the 19th summit." Moroccan Foreign Minister Boucetta's reaction to the resolution was subdued: "Morocco has expressed its willingness to try any path leading to conducting a referendum," reiterating his country's acceptance at the Nairobi summit of the principle of holding the vote. Each side gained some diplomatic points by the resolution — Polisario by its identification as one of the two parties to the dispute, and Morocco by the naming of Polisario and not the SADR, which would have implied OAU recognition of its statehood.

Notwithstanding all the post-summit fanfare over the organization's fortuitous ability to break the Western Sahara logjam, the OAU's most arduous tasks lie ahead in the implementation committee's mandate to bring the directives of the summit to fruition. The success of its mission to a great extent hinges upon Morocco's willingness both to agree to the modalities for holding the referendum and to abide by the outcome of the vote should it mean Saharan independence. There are both positive and negative indicators for this second attempt to organize a vote in the region.

The fact that some substantial compromises were made at the summit on both sides indicates that the groundwork may have been laid in earlier bilateral diplomacy. In fact, regional politics in northern Africa may be more in flux now than at any time in the past few years, holding out the hope that where OAU words may fail, Maghreb deeds may pave the way toward an eventual settlement of the Saharan conflict. Behind the Addis spirit of compromise were some fence-mending diplomatic initiatives — the February meeting of Moroccan King Hassan and Algerian President Chadli Benjedid foremost, which suggested a tacit Moroccan recognition that Algiers is not its primary adversary in the Sahara war. In addition, it is widely believed that ministerial-level Moroccan and Polisario delegations met in March, a meeting disclosed to the press in Addis by Abdelaziz, then categorically denied by Boucetta. Post-summit, Polisario's other North African ally, Libyan leader Qaddafy, visited Morocco for the first direct talks with Hassan in more than a decade.

But on the negative side, apart from the inherent difficulties in organizing a UN- and OAU-monitored referendum before the end of December deadline, are the negotiations — yet to begin — on the modalities of carrying out the vote. Still subject to negotiation are: the composition of an interim administration in the territory during the vote, the disposition of Moroccan troops (Morocco refuses to withdraw them), and the number of eligible voters. On the last issue, Morocco has insisted upon using a 1974 Spanish census counting 74,000 in the territory, whereas Polisario estimates range as high as one million.

Further, the sincerity of Morocco's commitment to undertake the referendum and respect its results can only be questioned when statements, such as King Hassan's mid-July remark that if the referendum went against Morocco nothing would force him to "offer the Sahara on a golden platter to a group of mercenaries," are publicized. Just 24 hours after the king's statement, Polisario launched an attack on Moroccan defensive positions in the Sahara, the first major raid in over a year. Polisario said it had broken a "one-year truce" "because of the growing intransigence of the Moroccan regime, which rejected the route towards peace, believing in a military victory after two years of logistic support from their protectors." A rekindling of the seven-year desert war and a hardening of Moroccan intransigence, which many would maintain has been abetted by American military support, could only serve to threaten the OAU's precarious efforts to bring a peaceful resolution to what many OAU delegates were tiredly calling "an Arab problem." Few overt signs of progress are now in evidence, although according to Peter Onu, consultations are "ongoing."

Photo: Margaret A. Novicki

Outgoing OAU Secretary-General Kodjo *(left)* with the new OAU chairman, Col. Mengistu of Ethiopia

Another conflict over which has been expended a considerable amount of OAU effort — with few tangible results — has been the civil war in Chad, sputtering on for over 16 years. As in its endeavors on the Western Sahara, the OAU has chalked up some diplomatic successes in its attempts to resolve the war by peaceful negotiations, but efforts have run aground because of either the disregard for OAU decisions by several of the warring factions, or the complicating factor of external intervention, or both. The Lagos Accord, wrought by the OAU in August 1979, succeeded in uniting 11 of the erstwhile rival factions into a transitional government under Goukouni's leadership. Yet the longstanding rivalry between Woddeye and his then defense minister, Hissène Habré, tore the fragile fabric of unity into shreds. Further, Qaddafy's unabashed aim to maintain in power a Chadian government favorable to Tripoli in order to legitimize his annexation of the northern part of the country, the Aouzou strip, caused him to send in troops to bolster Goukouni's shaky hold on the country. OAU efforts to replace Qaddafy's troops with a peace-keeping force (the OAU's first such venture) were too little and too late. As the Libyan troops departed, Habré's army, from bases in Sudan, advanced to fill the void, ultimately taking control of Ndjamena and hence the government in June 1982. Woddeye escaped to the north, where, with Libyan support, he set up a rival government in the Chadian town of Bardai.

No longer occupied with efforts to maintain the security of the defunct transitional government, the Addis discussions on Chad were a "post-mortem" on the peace-keeping mission. An ad hoc committee to examine the complaint lodged in the UN Security Council by Habré's government concerning Libya's annexation of the Aouzou strip was reactivated. No sooner had the OAU finished its deliberations, however, than the war in Chad reignited, with the scorned Qaddafy supplying Goukouni's forces with the military and logistical wherewithall to begin advancing southward on Ndjamena. As of early August, in what was once just another African civil war, the balance was alternately tipping in favor of the U.S.-French-Zairian-supported Habré and the Libyan-backed Goukouni.

The OAU cannot be blamed for the fact that the situation in Chad has largely been taken out of its hands by the regenerative cycle of strife, which has been exacerbated by external involvement. A mid-July meeting in Addis of the bureau of the 19th summit called for peace talks to end the fighting, a request rebuffed by the Habré government, which categorically refused to negotiate with the Libyan-backed rebels. Similarly, OAU appeals "to all states, African and non-African, to refrain from any interference, direct or indirect, that may aggravate the situation," obviously fell on deaf ears.

Given the apparent disregard for its decisions by both continental and extracontinental actors, its lack of muscle to implement resolutions, and the fact that it is prone to paralysis by politically divisive issues, what then is the value of the OAU? The fact that its ability to take action is often preempted by factors beyond its control does not render it useless, as its critics would contend. The OAU, as the voice of a continent composed of many powerless ministates, and of the two remaining countries where majority rule has not yet been victorious, does play an important symbolic role. Sam Nujoma of the South-West Africa People's Organization (SWAPO) and African National Congress (ANC) leader Oliver Tambo were visibly pleased by the successful convening of the Addis summit and resultant prolonging of the life of the organization. Four of the 15 resolutions adopted dealt with the situation in southern Africa, presenting the continent's united stand in condemnation of South Africa's continued occupation of Namibia, its economic blockade of Lesotho, its destabilization of neighboring states, and its harsh apartheid policies.

Photo: Margaret A. Novicki

Polisario Secretary-General Abdelaziz *(center)* was pleased with the OAU resolution on the Western Sahara. At left is Tanzanian President Nyerere

Africa's defenselessness against the grim reality of the apartheid state's might was brought home to OAU delegates as Pretoria, spurning a clemency plea by outgoing chairman Moi on behalf of the organization, hanged three ANC members while the summit deliberations were going on. Nevertheless, the liberation movements in southern Africa draw strength from the continent's united support for their struggle. Said Nujoma, "The resolution on Namibia reaffirms the pledge of the African leaders and their people in support of and in solidarity with the struggling Namibian people. We leave Addis Ababa encouraged in our struggle for national liberation."

The Addis summit succeeded in putting regional crises in the background to a continental reaffirmation of African unity. What the long-term effects of over one year of irresoluteness and the near dissolution of the OAU into rival blocs will be as yet remains to be seen. Many delegates, however, were optimistic that the crisis, successfully weathered, could serve only to strengthen the organization. The compromises made underlined the collective pragmatism of the continent's leadership, which eschewed squabbles over localized conflicts in favor of African unity and liberation, the twin pillars upon which the OAU was founded. What will always remain problematic is the potential for issues such as the Western Sahara and Chad to act as thorns in the side of African unity in the future. The continent's leaders would do well to bear in mind Moi's admonition: "The paralysis that our organization experienced in the last two years is something we should all commit ourselves to avoid in the future because it puts in jeopardy the hopes and aspirations of the people of Africa to attain a better life through a common struggle."

Africa, with the OAU to guide it, has a duty to commit itself to alleviating the pressing problems of economic underdevelopment. The OAU has already embarked upon the proper path by endorsing the Lagos Plan of Action, a blueprint for the continent's economic development. What is required now is the will and commitment to implement its recommendations. As Zimbabwean Prime Minister Robert Mugabe said at the end of the Addis meeting, "Liberation is not just the political act of driving out the colonial masters, it is also the act of transforming the socioeconomic system. Alongside the struggle for South Africa and Namibia, we must concern ourselves with the socioeconomic fields of raising the standard of living of the peoples of the continent and eradicating disease, ignorance, and poverty." □

INTERVIEW

Peter Onu,

Secretary-General Ad Interim, Organization of African Unity

AFRICA REPORT: What in your view were the significant accomplishments of the 19th summit of the Organization of African Unity [OAU]?

ONU: The significant achievement of the 19th summit was the fact that the OAU heads of state and government were able to meet after two abortive attempts in 1982. The 19th summit was also decisive in prescribing a definitive solution to the Western Sahara issue. For the first time, it set the deadline of December 1983 for the holding of a referendum in the Western Sahara. It also called for direct negotiations between the two parties to the conflict, which could lead to a cease-fire, and, with the assistance of the implementation committee, pave the way to organizing the referendum.

AFRICA REPORT: What are the major strengths and weaknesses of the OAU as an organization?

ONU: A shared historical experience, an identity of cultural and social values, and a common determination to project the African personality provide the OAU with a major source of strength and vitality. Yet the concept of African brotherhood has been greatly undermined by a strict adherence to the universal principles of noninterference in internal affairs of states and respect for the sovereignty and territorial integrity of each state. The invocation of these two principles is largely responsible for the deterioration of the situation and the escalation of conflicts in Africa. It becomes difficult for one brother to talk to another in a brotherly atmosphere.

The problem is how to reconcile these universal principles upon which modern nation-states operate with the need for member states of the OAU to be flexible in their adherence to these principles. What is called for is the application of African social values to the interpretation of these principles so that in the future it will be possible for brothers straddling borders to move freely and for internal conflicts in African states to be contained by the OAU or through the good offices of friendly states without this being seen as interference. "Interference" with the intention of doing good, that is, in the traditional African way of helping your neighbor to resolve his internal problems, having regard and respect for human rights, should not and cannot be construed as interference in a country's internal affairs.

However, and to a greater extent, the OAU has fostered the spirit of brotherhood and understanding among its member states. It has promoted inter-African trade and cooperation among the states, transportation and telecommunications link-ups are underway, and, above all, economic institutions on a regional basis as a prelude to the economic integration of the continent are being formed within the framework of the Lagos Plan of Action. The record of the OAU in the field of decolonization is a major outstanding achievement of the OAU.

AFRICA REPORT: Should the OAU charter be revised so as to prevent future crises such as that which arose from the question of admitting the Saharan Arab Democratic Republic, Polisario's self-proclaimed government, into the organization as a member state?

ONU: While the need for review of the charter in light of the exigencies of the time is recognized, it is not true to say that crises have arisen because of the defective nature of the charter, but rather because of the attitudes of member states to the provisions of the charter. As a human institution, crises are bound to occur from time to time; the OAU is not unique in this phenomenon. I believe the experience of the last two decades would not allow such crises, however explosive, to divert it from more pressing pursuits. Differences of opinion, bloc or individual, have always existed and will continue to do so. But such differences of opinion have always been resolved in the true traditions of African brotherliness and solidarity. It is difficult to imagine that the OAU would depart from this noble tradition.

AFRICA REPORT: Are charges of external interference in the OAU valid, and, if so, how should the OAU respond?

ONU: The OAU presents a common front on major international issues, and to that extent seeks to insulate its members from external pressure and manipulation. The enemies of Africa, however, resent this role and have done well to exploit differences that arise in the OAU. Such machinations in the end fail as the spirit of African unity and brotherhood begins to assert itself, though not without considerable harm and damage to the dignity and honor of the organization. I believe the dignity and honor of the OAU can be enhanced if we all work hard enough to project it. In that regard, member states, while pursuing legitimate national interests, should at the same time reflect on the collective interests of Africa as a whole.

AFRICA REPORT: How effective is the OAU Secretariat?

ONU: The problems of the Secretariat are legion, but over and above all is the lack of respect for staff rules and regulations that brought about accusations of injustice on the one hand and indiscipline and apathy on the other. We are determined to correct this anomaly, which will hopefully, given the support of all those concerned, including the OAU member states, give rise to a vibrant and effective Secretariat.

These written replies were provided by Peter Onu in response to questions submitted by *Africa Report* editor Margaret A. Novicki.

Africa: A Statistical Profile

Compiling a statistical analysis on Africa is a less than scientific exercise. Published figures for gross national product, debt, export earnings, etc. vary widely. Tables are speckled with asterisks indicating that the data is an estimate, for a year other than the one specified, or simply not available. Various sources even give differing figures for the land area of some countries. The information presented in this table, therefore, is not meant to be an authoritative compilation of facts, but a rough estimation of current economic and social conditions in Africa.

The United Nations *Demographic Yearbook for 1981* outlined some of the problems facing statisticians in Africa, stating that it has been a common practice for some data to be "taken from a neighboring country where conditions are assumed to be similar." In 1977, the United Nations Economic Commission for Africa (ECA) reported that there were only 1,500 official statisticians working in all of Africa (compared to 23,000 employed by the U.S. government), which is reflected in the lack and questionable accuracy of the data. The report of the tenth meeting of the Conference of African Statisticians in 1977 said, "Quantity estimates of gross agricultural output include a significant amount of guesswork owing to the lack of available statistics, even for major commodities. Food crop estimates are sometimes based on eye estimates by field agents. For some countries, estimates of food crops are based on a variety of sources such as data on population and estimates of per capita consumption from fragmentary and sporadic household surveys or information on acreages and yields." The report pointed out discrepancies in the methods and accuracy of data collection used in various countries and questioned the usefulness of combining data for the purpose of comparison.

Statistical information published by the UN and its agencies is usually taken from information provided by national governments. These figures in turn often form the basis of calculations and statistics issued by the World Bank and other multinational agencies.

Nevertheless, though the accuracy of the individual statistics is questionable, the broad outline that the available data provides is sufficient to paint a gloomy picture of Africa's social and economic status.

On the occasion of its "Silver Jubilee" last April, the ECA released a series of reports and statistical studies. More striking than the data itself were the conclusions and harsh self-criticism that the ECA members drew from the available information. Commenting on social conditions, a report entitled *ECA and Africa's Development, 1983–2008* stated: "In 1980, the average per capita income of the African region was only $741 compared with a per capita GNP of $9,684 in the industrialized countries. But this crude measure says little about the sad realities of life in Africa." The text of the report emphasized the darker side of Africa's social and economic situation:

- Seventy out of every 100 Africans are either destitute or on the verge of poverty.
- Only one in four Africans has access to clean water.
- Of the 33 million people added to the work force during the 1970s, only 15 million found remunerative employment.
- Per capita income has risen more slowly in Africa than in any other part of the world in the last 20 years.
- Africa's population is expanding at a rate of 2.8% annually, while food production is expanding at 1.5%.
- In 1980 Africa spent $5 billion importing 20.4 million tons of grain, excluding substantial freight costs.
- In 1980, the average African had 12% less home-grown food than in 1960.
- Africa's potential arable land is estimated at 4.2 acres per person, yet only 1.4 acres per person are currently being used.
- Africa's average food production per acre is about half of the world average.

In his introduction to the report, ECA Executive Secretary Adebayo Adedeji said that if the current trends continue for 25 years, the future that emerges will be "horrendous." As an alternative, the ECA has offered a "normative scenario," a vision of a brighter future contingent upon massive reforms on all fronts—in Africa's social, economic, and international relations.

The commission outlined some of the measures needed to reverse the negative historical trends. It called for the industrialized nations to meet their commitment to devote 0.7% of their gross national product to development assistance and encouraged African nations to take control of their own resources to fuel an "industrial takeoff." Emphasizing the devastating effects of Africa's dependence on imported food, the report recommended changes in agricultural pricing and land-tenure practices to encourage increased food production.

But these recommendations are nothing new, and the report remained vague on the more difficult question of how the changes could be implemented. Its value may be that in sounding a warning about where current economic trends are taking Africa, it has more clearly illustrated the enormity and growing difficulty of the tasks now facing Africa's economic planners.

Sources: These figures were compiled from the *World Development Report, 1983*, a publication of the World Bank and Oxford University Press, and from the Economic Commission for Africa publications, *ECA and Africa's Development, 1983–2008*, and *Survey of Economic and Social Conditions in Africa* (E/ECA/CM.9/5).

Table 1

African Countries Ranked Worldwide by Per Capita GNP (scale: #1 lowest)*	Per Capita GNP		Average Annual Rate of Inflation (percent)		Population, mid-1980 (millions)	Adult Literacy, 1980 (percent)	Life Expectancy at Birth, 1980 (years)
	DOLLARS	AVERAGE ANNUAL GROWTH %					
	1981	1960-81	1960-70	1970-81			
80 Algeria	2,140	3.2	2.7	13.4	19.6	35	56
50 Angola	—	—	—	—	7.8	—	42
25 Benin	320	0.6	1.9	9.4	3.6	28	50
14 Burundi	230	2.4	2.8	11.6	4.2	25	45
56 Cameroon	880	2.8	4.2	10.6	8.7	—	50
26 Central African Rep.	320	0.4	4.1	12.6	2.4	33	43
4 Chad	110	-2.2	4.6	7.4	4.5	15	43
58 Congo	1,110	1.0	5.9	11.8	1.7	—	60
46 Egypt	650	3.5	2.6	11.4	43.3	44	57
6 Ethiopia	140	1.4	2.1	4.1	32.0	15	46
34 Ghana	400	-1.1	7.6	36.4	11.8	—	54
22 Guinea	300	0.2	1.5	4.6	5.6	20	43
63 Ivory Coast	1,200	2.3	2.8	13.0	8.5	35	47
35 Kenya	420	2.9	1.6	10.2	17.4	47	56
42 Lesotho	540	7.0	2.7	10.5	1.4	52	52
40 Liberia	520	1.2	1.9	8.9	1.9	25	54
95 Libya	8,450	4.7	5.2	17.3	3.1	—	57
28 Madagascar	330	-0.5	3.2	10.6	9.0	50	48
11 Malawi	200	2.7	2.4	10.3	6.2	25	44
10 Mali	190	1.2	5.0	9.7	6.9	10	45
37 Mauritania	460	1.5	2.1	9.0	1.6	17	44
52 Morocco	860	2.4	2.0	8.2	20.9	28	57
31 Mozambique	—	—	—	—	12.5	33	—
29 Niger	330	-1.6	2.1	12.2	5.7	10	45
54 Nigeria	870	3.5	4.0	14.2	87.6	34	49
16 Rwanda	250	1.7	13.1	13.4	5.3	50	46
36 Senegal	430	-0.3	1.7	7.9	5.9	10	44
27 Sierra Leone	320	0.4	—	12.2	3.6	15	47
18 Somalia	280	-0.2	4.5	12.6	4.4	60	39
86 South Africa	2,770	2.3	3.0	12.8	29.5	—	63
32 Sudan	380	-0.3	3.7	15.9	19.2	32	47
19 Tanzania	280	1.9	1.8	11.9	19.1	79	52
33 Togo	380	2.5	1.3	8.9	2.7	18	48
67 Tunisia	1,420	4.8	3.6	8.2	6.5	62	61
13 Uganda	220	-0.6	3.2	41.2	13.0	52	48
15 Upper Volta	240	1.1	1.3	8.9	6.3	5	44
12 Zaire	210	-0.1	29.9	35.3	29.8	55	50
45 Zambia	600	0.0	7.6	8.4	5.8	44	51
55 Zimbabwe	870	1.0	1.3	10.1	7.2	69	55

*Countries with populations of less than one million not included.

Table 2

	Average Annual Growth Rate (percent)				Volume of Cereal Imports (thousands of metric tons)	
	AGRICULTURE		POPULATION			
	1960-70	1970-81	1970-81	1980-2000 (projected)		
Algeria	0.1	3.9	3.3	3.6	1,816	3,216
Angola	—	—	2.5	2.8	149	244
Benin	—	—	2.7	3.5	8	93
Burundi	—	2.2	2.2	3.0	7	19
Cameroon	—	3.9	2.2	2.8	81	106
Central African Rep.	0.8	2.3	2.3	2.3	7	14
Chad	—	—	2.0	2.3	50	14
Congo	1.8	2.1	2.9	3.5	34	56
Egypt	2.9	2.9	2.5	2.1	3,877	7,287
Ethiopia	2.2	0.9	2.0	3.1	118	207
Ghana	—	0.0	3.0	3.9	177	256
Guinea	—	—	2.9	2.8	63	134
Ivory Coast	4.2	4.7	5.0	3.1	172	619
Kenya	—	4.2	4.0	4.5	15	534
Lesotho	—	4.3	2.4	2.9	49	95
Liberia	—	4.0	3.5	3.5	42	111
Libya	—	10.5	4.1	3.7	612	942
Madagascar	—	0.3	2.6	3.1	114	268
Malawi	—	—	3.0	3.4	17	113
Mali	—	4.0	2.6	3.0	281	102
Mauritania	1.4	3.1	2.3	2.7	115	182
Morocco	4.7	0.0	3.1	3.5	891	2,758
Mozambique	—	—	4.2	3.4	62	368
Niger	3.3	−3.0	3.3	3.3	155	89
Nigeria	−0.4	−0.4	2.5	3.5	389	2,441
Rwanda	—	—	3.4	3.6	3	16
Senegal	2.9	2.6	2.7	3.0	341	458
Sierra Leone	—	2.4	2.6	2.9	72	58
Somalia	−0.6	—	2.8	2.5	42	432
South Africa	—	—	2.8	3.1	127	476
Sudan	—	2.3	3.1	3.0	125	305
Tanzania	—	5.5	3.4	3.5	431	265
Togo	—	1.5	2.5	3.3	6	62
Tunisia	2.0	4.1	2.3	2.4	307	960
Uganda	—	−0.8	2.6	3.5	37	37
Upper Volta	—	1.4	2.0	2.9	99	71
Zaire	—	1.5	3.0	3.2	343	538
Zambia	—	1.8	3.1	3.6	93	295
Zimbabwe	—	—	3.2	4.4	56	21

UNCTAD VI: Looking for the Silver Lining

BY KARL LAVRENCIC

Noting the lack of impact made by previous meetings of the United Nations Conference on Trade and Development (UNCTAD), held every four years (most recently in Manila in 1979), optimism was muted concerning the conference that was to be held in Belgrade, Yugoslavia, from June 6 through July 3, 1983.

Yet, on the eve of the event, it was the hope of many that the meeting, to which the second Brandt Commission report had attributed such high significance, would mark a turning point — the start of a new approach to the problems of the world economy in general and of the developing countries in particular. The Belgrade meeting was the first major international economic conference to be held against the backdrop of the present economic recession and worldwide stagnation — lessons from which should have produced an awareness of the reality of global interdependence. Although the Third World is poor, it accounts for some 20 percent of the global domestic product and buys 30 percent of the developed world's exports. Recession and lack of demand for the products of the industrialized nations have clearly illuminated the nefarious consequences of an impoverished Third World, and vice versa.

UNCTAD Secretary-General Gamani Corea: The Belgrade meeting was convened against the background of the world economic crisis

Many of the 170 speakers at the Belgrade conference, representing over 150 governments, seemed to draw encouragement from a growing recognition of interdependence, an awareness on the part of all nations of being in the same economic boat. So many prominent world leaders, including the secretary-general of the United Nations, the presidents of Argentina and Egypt, the prime minister of Zimbabwe, and guest speaker Indira Gandhi of India, were among the 2,000 delegates that the attendance itself enhanced the significance of the conference and therefore aroused further expectations. Some of the speakers caused surprise by their apparent optimism. Javier Perez de Cuellar, the UN secretary-general, was among those who saw encouraging signs of economic recovery and greater willingness on the part of the industrialized nations to consider the plight of the poor, an attitude that he said was evidenced by the conclusions of the recent Williamsburg summit of the Western world's wealthiest nations.

Jacques de Larosière, managing director of the International Monetary

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Fund (IMF), gave a brilliant exposition of the policies pursued by his institution, which have however been criticized by many developing nations as too stingy and too harsh. He concluded on an optimistic note: "Our IMF projections show that, provided adjustment efforts are sustained worldwide and industrial countries achieve a growth rate of roughly 3 percent over the next few years, the financial problems of the developing countries will be manageable." Their current account deficits should not pose serious financing problems or unmanageable debt burdens in the aggregate, he maintained, "although difficulties might still be encountered by individual countries." The current environment, he concluded, underlined the need for "close international cooperation and for assuring adequate financial flows."

De Larosière did not, however, call upon the rich nations to undertake any specific measures to assist the Third World. Rather, the thrust of his message seemed to have been addressed to the developing nations, many of which, he implied, indulged in budgetary overspending and prestige projects. Inflation — for de Larosière, apparently the number one enemy worldwide — was still running at some 30 percent in the Third World. Echoing the controversial advice given to African countries by the celebrated Berg report of the World Bank, the IMF managing director berated developing countries for overvalued exchange rates and for subsidization of consumer prices.

In many ways, the views voiced by de Larosière were typical of Western delegates, although many went much further, and some, including the Americans, could find little reason to grumble about the present state of the world economy, particularly if the good old notions of free enterprise and unhampered trade were more widely applied. The expected recovery of industrialized nations will trickle down to the poor without any need for special efforts to help the process along.

Such views contrasted sharply with the tales of woe presented by members of the Group of 77 (now, in fact, 126 countries) and their desperate appeals for action to save the Third World from bankruptcy, economic decline, poverty, and, for millions of people, sheer famine. A major gap in understanding between the North and the South was the result, often creating a kind of dialogue of the deaf, both with regard to the analysis of what is going on in the world economy and the strategy and action required to deal with it.

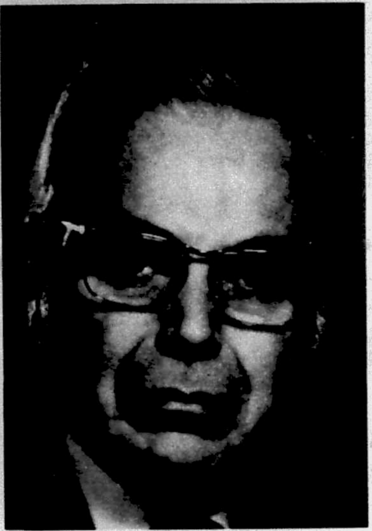

Photo: Bachrach/United Nations

UN Secretary-General Perez de Cuellar stressed the need to translate good words into action

Although optimistic overall, Perez de Cuellar stressed the need to translate good words "into action" now. Gamani Corea, veteran secretary-general of UNCTAD, put the issues in perspective. True, he said, the cloud of pessimism had begun to lift, but this was "partly because of an awareness that the situation is too critical to be allowed to continue." In the Third World, he said, "the stagnation in development still continues. In virtually all developing countries, contractions and cutbacks remain the order of the day." More significantly, Corea agreed with other speakers from the Third World that recovery would not be transmitted from the industrial to the developing countries without "deliberate actions."

What this action should be was spelled out in great detail and in a most lucid way in draft resolutions presented by the Group of 77. These documents had been agreed to at a special conference of the group in Buenos Aires in April. Never had the Third World, therefore, come to a conference better prepared and united.

But the differences between what were described as the "minimum" demands of the developing nations and the position taken in Belgrade by the industrialized countries also reflected the persisting disagreements between the North and South. Eventually, developing countries came around to accepting the prevailing position of the Western world, although the U.S. made it clear that it was not endorsing a large part of this innocuous compromise. A "statement" was read at the end of the conference by the chairman, Yugoslavia's secretary for foreign affairs, Lazar Mojsov, in place of the planned "Belgrade Declaration," but the U.S. disassociated itself from the statement while several countries, including Britain and West Germany, accepted it with reservations.

Natural for an UNCTAD conference, particular interest centered on such matters as commodities, whose prices have now slumped to a level last seen half a century ago; international trade, which has been stagnating and is increasingly menaced by protectionism; monetary and financial issues, and the associated problem of the huge Third World debt ($700 billion if short-term loans are included); and the need for more official development assistance, particularly for the most disadvantaged countries, a matter of special interest to Africa.

The commodities issue has become something of a symbol of the lack of progress in the North-South dialogue, and the Belgrade conference did little to advance a problem that is of such critical interest to the Third World. Discussions on an integrated program for commodities have been dragging on for seven years, the most important single item of which — the agreement of the Common Fund for commodities — still awaits ratification of 36 nations. Further, the total of 90 countries that must ratify the 1980 agreement are also required to account for two-thirds of the capital to be contributed to the Common Fund. The 54 states that have so far ratified are only responsible for 36.63 percent of the capital. The conference "urged" all states that had not yet done so to sign and ratify the agreement so that it "might begin operations as soon as possible, preferably by January 1984." Prospects are thus distinctly gloomy for the envisioned fund, which would not only finance buffer stocks and thereby stabilize prices, but would also help developing countries process and market their commodities.

There was a great deal of discussion on compensation to developing countries for the shortfalls in their export earnings, along the lines of the STABEX scheme operated by the European Economic community. The Group of 77 proposed a meeting "not later than December 1983" to prepare a negotiating conference on a new facility for this purpose, while the IMF was called upon to undertake a "substantial expansion and liberalization of its compensatory financing facility so as to provide developing countries with prompt, full, and automatic compensation for their shortfalls without imposing conditionality." But the industrial countries finally agreed only "to request the secretary-general of UNCTAD to convene an expert group to consider the need for an additional complementary facility." The resolution that was finally accepted (with only the United States voting against it, plus 10 abstentions) also urged the IMF to consider "special arrangements" for the benefit of the least-developed countries.

In no other area has the position of the North diverged as much from that of the South as on financial and monetary issues, an area where the Third World has been demanding particularly urgent action. Developing nations regard the Bretton Woods institutions, including the World Bank and the International Monetary Fund, as essentially designed to serve the interests of the industrialized nations and "grossly inadequate" for the needs of the Third World.

These institutions, the Group of 77 said in Belgrade, should be revamped and the Third World must be given much greater say in their decision making. A resolution put forward by the Group of 77 called for an action program in the financial field to promote world economic growth, improve the workings of existing institutions, and create fresh facilities for lending. In addition, lower interest rates, stabilized exchange rates, and a wider opening of markets in industrial countries to Third World products were recommended.

The IMF, the draft resolution of the Group of 77 said, should undertake a "fundamental review" of the conditionality of its loans, place greater stress on supply expansion (i.e., less "monetarism"), and take account of development objectives in the countries assisted, as well as economic circumstances beyond the control of the respective governments. The IMF should also expand its lending operations, according to the draft resolution, commencing with "an immediate and substantial allocation of Special Drawing Rights (SDRs), in no circumstance less than 15 billion annually."

There was little mention of those recommendations in the consensus resolution finally adopted, although the importance of "maintaining an adequate level of access to IMF facilities" was stressed. The North seems in no mood for any basic reforms of the standing institutions, nor for any substantial moves toward the implementation of the New International Economic Order.

A delegate from Sri Lanka echoed the views of many Third World representatives when he described the outcome of the conference as a "total failure." Bitter disappointment was expressed by Amir Jamal, Tanzania's minister of finance and member of the Brandt Commission, who felt that countries such as his own were now trapped in a hostile international system. "Do you just uproot the coffee trees and throw the sisal into the Indian Ocean?" he asked.

Somali delegate Abdullahi Said Osman, who acted as spokesman of the Group of 77 at the conference, said in his concluding remarks that the results achieved were "meager." The conference, he said, "failed in large measure to live up to the expectations of the world community." It had missed "a historic opportunity to contribute meaningfully to world development and recovery." The 20 or so resolutions

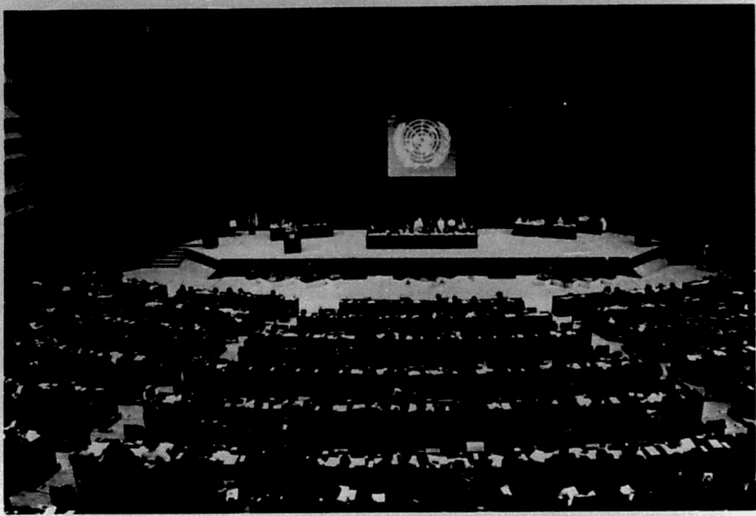
Photo: United Nations

The theme of UNCTAD VI was "Recovery and Development"

adopted at UNCTAD VI, he continued, "did not add up to a worthwhile program of immediate measures that the group had hoped the conference would adopt."

Was it then a gigantic waste of time? Said Osman himself evidently did not think it was. The results, however disappointing, will serve as a basis for further negotiations both in and outside UNCTAD. "In doing so," he added, "the Group of 77 will continue to be guided and inspired by the Buenos Aires spirit of dialogue and consensus."

His reference to the Buenos Aires spirit was significant. The consensus achieved among the developing nations at the April meeting produced a solid negotiating platform that was then effectively presented at the Belgrade conference. Oil-exporting and non-oil developing countries, commodity producers and those without any natural resources, newly industrialized and the least developed managed to forget about their conflicting interests for the sake of adopting and maintaining a common stand. This in itself was an impressive performance and augurs well for the future.

The unity of purpose displayed by the Third World in Belgrade was directly relevant to a resolution adopted by consensus on economic cooperation among developing nations. The resolution was designed to give impetus to the envisioned global system of trade preferences among developing countries, establishment of multilateral marketing enterprises and multinational production organizations, and creation of a bank of developing countries and multilateral payment mechanisms. Considering the huge financial resources available to some of the developing nations, including Arab countries, and the dearth of resources in other regions of the Third World, cooperation among these countries based upon genuine feelings of solidarity could be helpful.

However unimaginative the industrialized countries may have proved in Belgrade and however anxious the countries of the European Economic Community might have been to counter the impression of diverging too far from the regrettably negative attitude adopted by the U.S. delegation, there were nonetheless marked differences in approach among the Western industrialized countries. The position taken by the French delegation, for example, was a great deal more constructive than that of Britain, West Germany, or Japan. This indicates that pleas of the Third World lobby are having some effect on influential people in the North.

Regarding the important issue of technology transfer, the conference voiced the belief that further action was "urgently called for," requesting the secretary-general of UNCTAD to continue his work on the transfer, application, and development of technology in areas of critical importance to the developing countries. The conference called for a special session of the Committee on Transfer of Technology to examine an appropriate strategy for developing countries. The representative of Tanzania said this resolution would "open a new chapter" in this field.

It was significant that the conference not only drew attention to the plight of the particularly disadvantaged countries, but also formulated priorities to assist them. The conference reaffirmed the principles of the substantial new program of action for the 1980s adopted at the 1981 UN conference, including a target of 0.15 percent of the gross national product to be allocated as official development assistance for the benefit of the 31 least-developed countries, 21 of which are in Africa. Special attention on areas such as transport was urged with regard to land-locked and island countries, of which there are many in Africa. The conference also adopted a resolution, on a roll-call vote of 84 in favor to 1 against (United States), with 19 abstentions, on assistance to the people of Namibia and South Africa.

Perhaps it was a mistake to expect far-reaching decisions on creating a New International Economic Order to emerge from such a large and disparate gathering as UNCTAD VI. But the shortcomings are no reason why these meetings should not continue while more practical fora are devised to achieve agreement on concrete measures. UNCTAD retains its value as a sounding board for the North-South dialogue, and as a powerful instrument for drawing attention to the matters of principle and great urgency confronting the international community today. There can be little doubt that most of those who attended the conference are now much better informed about the world and its problems than they might have been in the past. They will be particularly well-informed about the position of the developing nations, whose views can only be ignored by the rest of the world at its own expense. □