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THE TEA TRADE

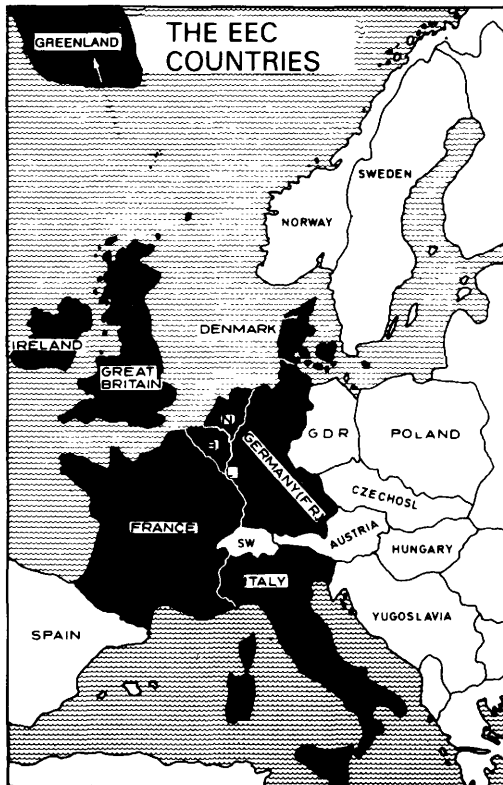
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FRANCE

(Overseas departments)

Guadeloupe
 Guiana
 Martinique
 Reunion
 St Pierre and Miquelon

(Overseas territories)

Anglo-French Condominium of the New
 Hebrides
 Mayotte
 New Caledonia and dependencies
 French Polynesia
 French Southern and Antarctic Territories
 Wallis and Futuna Islands

NETHERLANDS

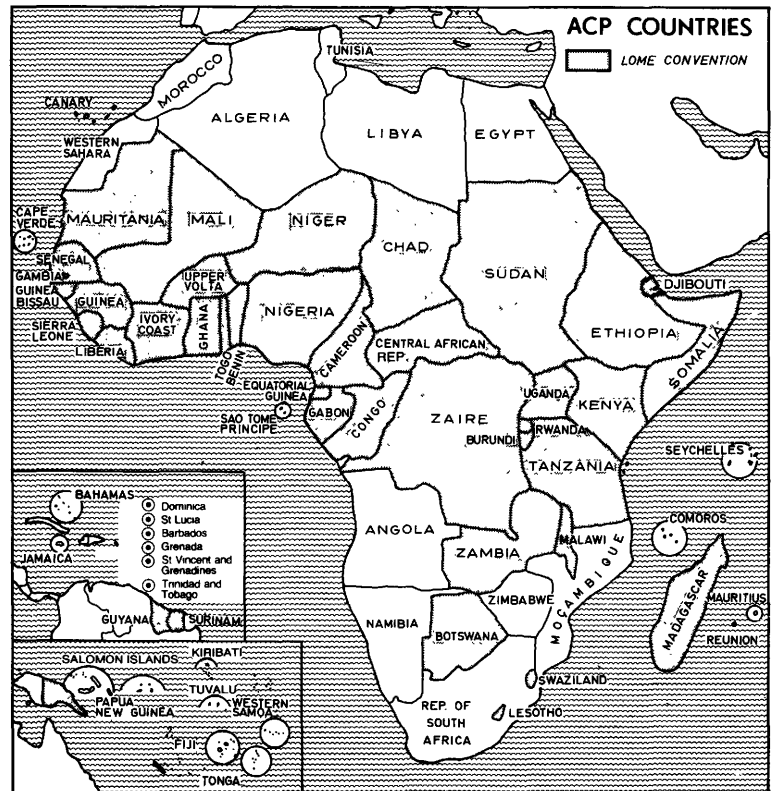
(Overseas countries)

Netherlands Antilles
 (Aruba, Bonaire, Curaçao; St Martin, Saba,
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UNITED KINGDOM

(Overseas countries and territories)

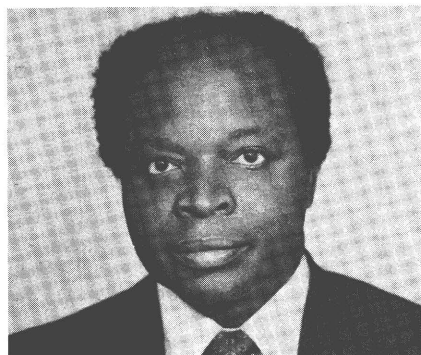
Anglo-French Condominium of the New
 Hebrides
 Antigua
 Belize
 British Antarctic Territory
 British Indian Ocean Territory
 British Virgin Islands
 Brunei
 Cayman Islands
 Falkland Islands
 Montserrat
 Pitcairn Island
 St Helena and dependencies
 St Kitts, Nevis and Anguilla



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

Cover: Picking and packing tea in Rwanda (EDF photo)

Denmark — The European Community has an active, wide-spread and multi-facetted policy of cooperation with the Third World, which leaves each EEC country free nonetheless to run its own bilateral development programme. One of the smaller EEC countries, Denmark, is thus one of the few developed countries to have reached the second UN development decade target of 0.7% of GNP in official development aid. Despite its small size and population, Denmark is increasing its bilateral aid. Foreign minister Kjeld Olesen outlines Danish cooperation policy. **Page 3**



Kenya — Kenya is commonly held up as an example of a successful developing African country. Its economic growth over the past 15 years has been considerable, due to a flourishing and diversified agricultural sector, which was exporting food until recently, and a dynamic tourist industry which has helped make Kenya known around the world. But clouds have gathered on the horizon in recent years. Successive oil price hikes have hit an economy that was already looking less secure and leaner years seem to lie ahead. Vice-president Mwai Kibaki reviews the economic situation. **Page 8**



Somalia — The Horn of Africa is considered one of the potential flashpoints in the international military balance. However, it has more immediate and concrete problems: drought, famine and tensions on its own national borders. Since the revolution in 1969, Somalia has successfully undertaken the laborious tasks of uniting a linguistically and culturally divided nation and laying the foundations of economic development based on "socialist" principles. Agriculture and mining could be the basis for real progress, in view of the natural resources of the land, but it will take many years to achieve and will depend on two fundamentals: water, and the return of peace to the region. **Page 15**



Europe — There are currently 68 women members of the European Parliament which was elected by direct universal suffrage in June 1979. The series of interviews begun in the last issue of the *Courier* with women in the Socialist group, the biggest in the Parliament, continues with three members of the European People's Party, the second biggest group: Maria Luisa Cassanmagnago Cerretti, Johanna Maij-Weggen and Hanna Walz. A fourth interview is with Louise Weiss of the EDP group, doyenne of the Parliament, who is soon to leave it. **Page 37**

Dossier — Tea is one of the handful of major agricultural commodities on which many developing countries depend. Despite its being considered the cheapest drink after water, the tea trade is very big business. So far it has mainly been produced by Asia, from its origins in China to its development in the Indian sub-continent, but several ACP countries are now big producers. An EEC country, Britain, is the main importer. Will tea become more important in ACP-EEC trade, and what effect would a new international tea agreement have on a commodity that is still largely sold by gentlemen's agreements rather than written contracts? Our dossier examines the international tea trade. **Page 61**



THE COURIER

AFRICA - CARIBBEAN - PACIFIC
— EUROPEAN COMMUNITY

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ACP-EEC Council of Ministers in Nairobi

Examining a report and a study

The present tension between the two superpowers is a threat to world peace, as no commentator will allow us to forget. Yet many of them feel that, if we can only get through this period without any major conflict, the industrialized countries as a whole will emerge more dependent on each other, far more so than the countries of the East and the West now are. The developed countries are economically, scientifically, technologically and culturally complementary and should be increasingly so. On this assumption, then, the big problem of the next 20 years will be the one so often mentioned in these columns — relations between the industrialized countries and the rest of the world. But let us leave the charms and the pitfalls of futurology, however cautious, at that.

Two publications which throw light on the search for a new international economic order have appeared recently and they provide a number of important elements which can help us assess medium-term developments and smooth the passage through the present period of tension. The two documents are an IEA report and an ILO study.

The International Energy Agency's annual report on energy policies and programmes in its member countries suggests that the industrialized countries should increase their efforts to avoid a crisis that is imminent. It also says that the very serious matter of adjusting supply and demand, initially scheduled for the mid or late '80s, could from now on become a constant factor in the present climate of political uncertainty.

While last year's report suggested that OPEC could produce

37.5 million barrels per day in 1985, this year's figure has been revised down to 31.5 million. As OPEC's internal consumption will double and as long as demand from the developing world and certain iron curtain countries continues to tap the supply, only 22.4 million barrels per day will be available for the OECD countries in 1986 and 19.3 million in 1990.

So, in 1985, there will be an estimated shortfall of between 2.1 and 3.7 million barrels per day and 5.7 and 8.6 million in 1990. This means that the oil import ceiling the West fixed after the Tokyo summit of June 1979 will not be enough to keep demand below supply. The full weight of the price rises generated in an economic environment such as this may well not be bearable in the medium term, the report says.

So where does this leave the developing countries which do not produce oil? "We wouldn't mind an energy crisis like yours", an African economist told a European journalist the other day, meaning that, although the energy crisis weighs heavy on the Community economy, the weight on the Third World is far greater.

The head of the IMF confirmed this view recently when he launched an appeal to the international community, particularly OECD and OPEC members, to do something about the "small" increase in the deficit (an estimated \$ 3700 million) that the poorest 38 countries, where *per capita* income is less than \$ 300 p.a., will have this year because of soaring oil prices. Will the recent increases and a basic price of \$ 32 per barrel encourage these countries to stronger efforts and greater solidarity? One important thing to bear in mind is the publication of the last

report by the OPEC long-term strategy committee, which revealed a willingness to continue with a concerted policy of price increases and to set up an elaborate system of financial aid for the poorest countries.

The ILO study leads to the conclusion that the industrialized countries have to liberalize their trade with the Third World. It suggests that the fear of higher unemployment in the industrialized countries following a lowering of the barriers to imports from the Third World is unjustified and that the underprivileged nations can, on the contrary, increase their purchases from the developed world thanks to their export earnings.

Protectionism is the biggest threat to employment in the North, as the ILO emphasized just before the new OECD declaration against protectionism. The ILO study points out that the developing countries have gone on importing in spite of dearer oil, thereby increasing their debt, which now stands at an estimated \$ 450 000 million. They should therefore concentrate on exports in order to pay their debts. However, if the poor countries found that they had to cut back on imports because of this regularly and dangerously growing debt, there might be a further decrease in the already waning growth in the industrialized world which would have many harmful effects, higher unemployment among them, and trigger off chain reactions, the importance of which it would be difficult to predict. So international cooperation is an increasing necessity in the world today. ○

ALAIN LACROIX

DENMARK

The Danish approach to cooperation

Interview with Kjeld Olesen, Minister of Foreign Affairs

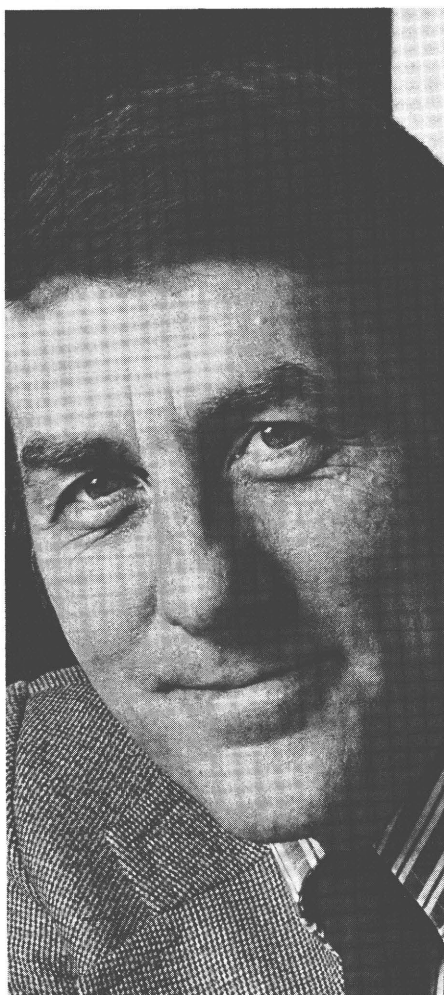
The Scandinavian countries have few historical links with the Third World. This has not prevented them from firmly supporting the independence and economic and social development of the developing countries, particularly of southern Africa and Asia. Denmark is one of the few industrialized countries to have reached the UN target of 0.7% GNP in official development aid, and will maintain this, in real terms, over the next five years.

Foreign minister Kjeld Olesen explains the Danish approach to development and gives his feelings on the new Lomé Convention and the political situation in southern Africa.

► *Minister, since it is one of your areas of responsibility, could you give an outline of Danish cooperation policy, its objectives and targets?*

— The basis for Danish aid to developing countries is the Act of 1971 on International Development Cooperation. Under this act the objectives are: "to support, in collaboration with the governments and authorities of these countries, their efforts to achieve economic growth in order to contribute towards ensuring their social progress and political independence in accordance with the United Nations' charter, purposes and fundamental principles, and also, through cultural collaboration, to promote mutual understanding and solidarity".

In the wording of this text you will see that emphasis is laid upon collaboration with the developing countries in their own efforts to achieve development, and one important feature of our development policy is that we base ourselves on the priorities of the recipient countries in deciding upon the dis-



Kjeld Olesen

tribution of assistance for various development activities.

Other main features of Denmark's development aid are compliance with the 0.7% of GNP target set by the United Nations, and an almost equal distribution between multilateral and bilateral development aid.

With respect to the latter element, this should be seen in the light of our general support of the United Nations, and from the very beginning of the Dan-

ish participation in aid to development the United Nations have played an important role. In the early '60s all Danish development assistance was channelled through the United Nations' development programmes, where the developing countries have a large say in the spending of the funds.

Today, multilateral development assistance is channelled not only through the United Nations Development Programme (UNDP), but also through the World Bank, in particular its "soft loan" agency (IDA), the European Development Fund, and various regional development funds and banks. We also contribute substantially to, for instance, the World Food Programme. At the same time we cooperate closely with the United Nations' specialized agencies, i.e. through the so-called "multi-bi" projects.

An important guideline

The basic needs strategy is an important guideline for our bilateral development aid policy, and in line with this strategy we try to concentrate our bilateral assistance on the poorest developing countries, paying special attention to the poorer groups of the population.

A current example of Denmark's commitment to the basic needs strategy is our most ambitious development project so far, an integrated rural development programme in Bangladesh.

The project comprises some 800 000 people in the district of Noakhali, one of the most densely populated rural districts in Bangladesh.

The objective of the project is—through development in infrastructure, agricultural production, other productive activities and social services—to promote economic growth and social progress to make the area self-sufficient in the most essential food products, to create better employment opportunities for the poor, and generally improve the standard of living.

► *In spite of its economic difficulties, Denmark is the only country in the Community and the industrialized world in general which last year reached the United Nations objective of 0.7% of GNP in official development aid. How do you explain that and how do you see it evolving in the next five years?*

— In the United Nations we supported the 0.7% target and conse-



DANIDA

Practical work for students at the Morogoro school of agriculture (Tanzania), which benefits from Danish aid

quently it has been a natural obligation for Danish governments to comply with it, a policy shared by Sweden, Norway, and the Netherlands, whose official development assistance is even higher than 0.7%.

Unfortunately, our domestic economic problems may force us to go a little more slowly for some years to come. It is, however, our intention still to comply with the 0.7%.

I sincerely hope that other industrialized countries will soon be able and willing to increase their official development assistance to the level of 0.7%, and I think that the Brandt Commission is right in pointing out the urgency of progress in this respect.

Much more finance is needed to produce any real improvement in health and nutrition, in industrial development and in sustaining satisfactory growth in the Third World.

► *To whom does Danish aid go and under what criteria?*

— In our planning we have a more or less equal distribution between multila-

teral and bilateral assistance, as well as a similar distribution of the bilateral assistance between loans and grants.

Criteria and main recipient countries of Danish aid

As regards our bilateral aid on a grant basis, we have four main recipient countries: Bangladesh, India, Kenya and Tanzania. To render our development assistance as predictable, continuous and assured as possible, we have established multiannual plans for our cooperation with the said countries, covering bilateral grant-financed projects based upon the priorities of the recipient countries.

However, I should like to emphasize that our priority lies with projects of special concern to the poorer groups of the population, in line with the basic needs strategy, as I mentioned before, and I am glad to say that this approach is shared by our main recipient countries.

Besides the collaboration with our main recipient countries, we have established cooperation on a smaller scale with other countries, such as Angola, Mozambique and Guinea Bis-

sau. Recently we started new cooperation projects in Uganda and Sri Lanka, and it is also our intention to establish cooperation with Zimbabwe.

Concerning development loans, all developing countries with a GNP per capita below US\$550 are eligible. All loans are free of interest and we apply very soft terms for the least developed countries.

Development loans are in principle tied to procurement of Danish capital goods and services, but this rule is subject to various modifications, and traditionally we are very liberal with regard to local cost financing.

Concerning multilateral assistance, I already mentioned our general support of the activities of international organizations. In particular, we recognize UNDP's central role in international development efforts. UNDP seems well qualified to evaluate development projects and carry them out. At the same time, UNDP has the advantage of covering the full scope of development, basing itself on the priorities of the developing countries.

► *Up to now there has been a 50/50 division of Danish bilateral aid between grants and loans. Could you explain why?*

— Actually, the difference between grants and loans should not be overestimated. The loans are highly concessional, containing a grant element of 76% to 90%, and the difference is mainly due to historical and administrative reasons.

As I said, we give priority to projects supporting efforts in favour of the poorer population, aiming at improving their living conditions, increasing their food production, promoting fundamental health care and family planning and improving access to elementary education. Such activities are normally supported on grant terms.

For other types of development projects we have chosen loans tied to the procurement of Danish capital goods and services as an appropriate means, thus offering Danish industry a possibility of establishing relations with the Third World beside the contribution to the general objectives of our development policy. Under this arrangement we have concluded loan agreements to finance, for instance, diesel generators, irrigation equipment, various production activities, cooling equipment and electronics.

Let me add that we are open to individual negotiations with least developed debtor countries that so wish to discuss

the need for retroactive terms adjustment, including the possibility of total debt relief.

Parliament and people: wide support for government aid policy

► *The Danish parliament as a whole and public opinion in general support cooperation with the Third World. How do you explain that? Is it better public information or the ability of the Danes to understand international problems better?*

— I am glad to say that your statement is confirmed by polls over the last five years, showing that an absolute majority of the general public support development assistance.

I do not know the figures for other countries and I cannot give an explanation of the high support we find in Denmark. It may be an indirect result of a general policy of solidarity and social consciousness pursued for many years in our social policy; it may be a result of information at many levels, including the schooling system and the media, or

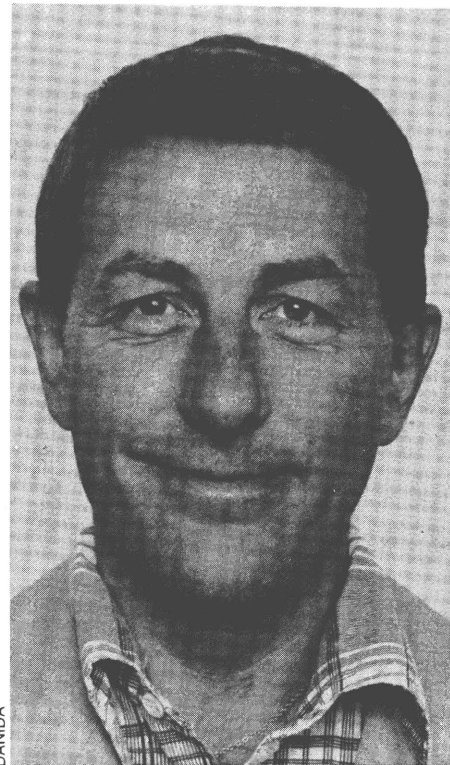
it may be a result of a combination of these and other factors.

Finally, we should not forget our situation as a nation depending on international trade. Denmark and the Third World share a mutual interest in development.

► *A third UN development decade has already been put forward. Generally, how do you view the formula of "development decades", taking into account their results?*

— Let me first say that although the second development decade did not produce all the results we could have hoped for, I still think that the decade and the strategy adopted for it were instrumental in spotlighting the problems of the developing countries and the need to promote their development. The 0.7% target for official development assistance is, in my view, a good example that illustrates this point.

Therefore I attach great importance to the third development decade and the formulation of a strategy for this decade. If the strategy is balanced, forward-looking and to some extent aspirational without being out of touch with



DANIDA

Kjeld Olesen

"The poorest countries come first"

the economic realities of the world today, it could play an important part in North-South cooperation during the decade. It will, however, be necessary to establish an effective review and appraisal mechanism in order to deal with changing economic circumstances during the decade.

► *Minister, what is your personal opinion of Lomé II, and of EEC development aid policy generally?*

— Lomé II, the new convention between the Community and the ACP countries, is first of all an extension of the old Lomé Convention, Lomé I, but with improvements in different areas. With the new convention the Community is continuing an almost unique kind of cooperation with nearly 60 developing countries, covering trade, stabilization of export earnings, industry, agriculture and financial and technical aid.

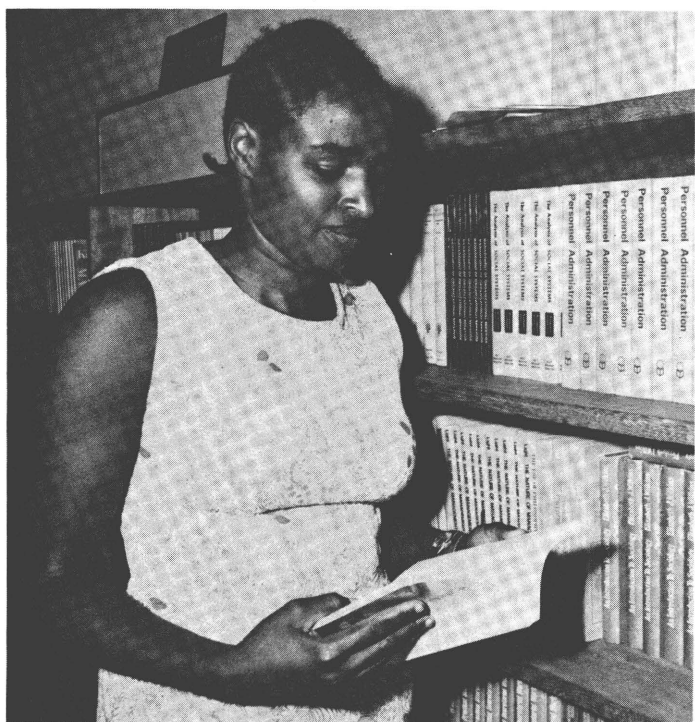
This has rightly been considered as an example for development cooperation between groups of countries, not only because of the coverage, but also the innovative features of the convention. I am in particular thinking of the system for stabilization of earnings from export of some important raw materials, the Stabex arrangement.

I am happy to see that this arrangement has been broadened to include some new raw materials of importance to the ACP states. In addition, a new arrangement has been established pro-



DANIDA

Harvest time for students at the Mbeya institute of rural development (Tanzania), which also receives Scandinavian aid



Danish training for Tanzanian administrative staff



Technical college for apprentices in Kenya, where most Danish aid goes to training schemes

viding financial aid to ACP countries in case of serious disruptions in their capacity to export products in the mining sector, to the extent that an ACP country is largely dependent on export of such products.

I should in particular like to mention the Technical Centre for Agriculture and Rural Cooperation, established with the new convention to give ACP countries improved access to information on development in this area.

► *In your opinion, how important is the Community's policy compared to its member states' bilateral cooperation? Do you feel it is necessary to coordinate bilateral policies more, or reinforce Community action?*

— Development aid from the Community is an important supplement to bilateral aid from each of the member states.

Yet total transfers to ACP countries from the EDF in 1979 were about 10 times the technical and financial aid to the so-called non-associated developing countries, among which are some of the most populous countries in the world.

This gap should, in my view, gradually be narrowed by increased assistance to non-associated developing countries, and among these in particular the least developed and other low income countries.

I think, furthermore, that we shall have to improve the Community's general preferences scheme so that in particular least developed and other low income countries should share the advantages of the ACP countries on our markets, to a greater extent.

Such steps could be considered as valuable contributions to the kind of improvements in relations between developed and developing countries discussed within the North-South dialogue.

In the areas of development and aid



Danish technical assistant in Kenya



DANIDA

DANIDA

Training skilled workers is one of the main factors of development

policy it seems to me that consultations between member states have been functioning well and that a useful job has been and is being done.

► *Do you believe in the North-South dialogue? Don't you feel this great idea hasn't been defined properly or given the necessary means for it to succeed?*

— Well, it is not a question of whether you believe in the North-South dialogue or not. In the present world and with the existing economic realities I do not think there is any choice or alternative, either for the industrialized or the developing countries, to a continued North-South dialogue.

The purpose of the North-South dialogue is the restoration of global economic growth, with particular emphasis on ensuring a continued and increased development and growth in the developing countries, thereby creating a stable world economic situation or system in which the discrepancies between rich and poor, among nations as well as within nations, can be diminished.

As for the necessary means for ensuring the success of the North-South dialogue, I think it is important not to forget that real success takes time and that the process, by definition, has to be a gradual one where at any given point of time you face the challenges and do what is required of you.

I think your question really boils down to whether the necessary political will for ensuring the success of the dialogue exists, especially in the developed countries. As I said, I do not believe that there is any other way forward and as far as Denmark, is concerned we are truly committed to the North-South dialogue, as our ODA performance demonstrates.

Zimbabwe: "the confirmation of our views on peaceful solutions to colonialism and racial discrimination in southern Africa"

► *Minister, the important commitment of Denmark in supporting the liberation movement in Africa is well*

known. In view of the Zimbabwe example and the new direction taken by Mozambican foreign policy, which is very favourable to Europe, won't the most serious threat to peace in Africa now be from South Africa?

— I was very glad to see that it was possible for all the parties in Zimbabwe to agree on a negotiated solution, which ended the conflict and gave that country its independence with majority rule and democratic elections. The developments in Zimbabwe confirmed our views that peaceful solutions to problems of colonialism and racial discrimination in southern Africa can be found, if an agreement involves all the parties.

The continued illegal South African occupation of Namibia and the oppressive apartheid system in South Africa have already caused much human suffering and armed conflicts.

Unless the reasons for this are removed by an early South African acceptance of the UN plan for Namibia and by an abandonment of apartheid, peace can hardly be restored in that part of the world. ○

Interview by
LUCIEN PAGNI

KENYA

“We hope that foreign investors will continue to come to Kenya”

**Interview with Mwai Kibaki,
Vice-President of Kenya
and Minister of Finance**

► *Kenya used to attract a lot of foreign investment. Given the gloomy economic prospects at present, is Kenya still a good risk for private investors?*

— Kenya has always been reasonably attractive to investors and we hope that it will continue to be; for the moment it is quite attractive and we are getting a reasonable number, particularly in tourism, in the industrial sector and in the processing of our agricultural produce. We would like to continue to get more of these investors: we are short of capital and we are also short of know-how and we acknowledge this quite freely.

In 1964, soon after independence, we passed a law for foreign investors which gives total protection to the foreign investor as regards his capital, the repatriation of dividends and the rights of the employees. So we hope they will continue to come. We particularly need them now during this period of inflation.

► *The 1979-1983 development plan established a growth rate target of 6.3% per annum. Will this still be met, given the current international and national economic situation, or will the attainment of your main goal, the alleviation of poverty, be delayed?*

— Well, the precise target of 6.3% will not in fact be attained now, for the reason that we are going to be short of the investment funds to carry out many projects that have been designed. We're also going to spend infinitely more money on imports of petrol and imports of capital goods, much more than what we have projected in the plan. It means that we have had to postpone some investments and, to that extent, we are not going to achieve the

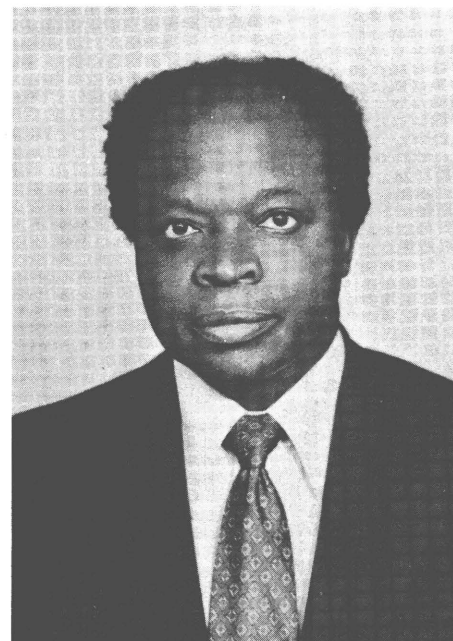
target. But we have not abandoned the strategy of the plan. We will be moving towards the alleviation of poverty, and have been moving that way since independence. What the present situation means is that the changes we expected in the levels of income of the people will not be achieved in that period, five years. It will definitely take longer.

► *Kenya suffers from an employment problem and a directive was issued to employers to increase their labour force by 10%. Was that decision fully implemented and what effect did it have on firms?*

— Well, it has been implemented. The implementation was closely supervised by the government, so that only those companies that had the opportunity, which were planning to invest and which therefore could take on more labour, have been able to expand. Some have expanded by more than 10%. We've looked for other ways of giving them incentives so as to go more labour-intensive, instead of importing capital, which is getting too expensive now anyway.

I should like to point out that although we have a great number of people unemployed in urban centers, in the agriculture economy, which is the main part of economy, the opportunities of employment are still unfilled to the extent that there is a shortage on farms. That unfortunately is due to the nature of the educational system; because of their attitudes, young people tend to move to the towns rather than of working on the land.

► *The announcement of measures such as free milk at school, free lunches and bus transport was very popular. But can Kenya really meet*



Mwai Kibaki

these aims, and don't they go against the "harambee" or self-reliance philosophy?

— The decisions have now been fully implemented; they have been entirely justified and welcome to the whole population. What we've done now is to assure that every child can go to primary school; we have four million children in our primary schools. Every one of them will get milk at school; it is a measure to try to improve the health of the child and also to try to spend larger proportions of available resources on children, because we think that investing in them, in their health and in their education, is the best foundation for the future.

That is now working very well. And Kenya can well afford it, because we produce surplus milk, we process it into cheese and butter and so on, we don't have to import it. So all that we have decided and we have done is to direct the consumption to the people who most need it.

► *Kenya has benefited recently from a Saudi loan. But with several Kenyan companies on the Arab League's black list, what are the prospects for cooperation between Kenya and the Arab world?*

— In fact, the prospects are very good. We are already exporting substantial quantities of horticulture, food items, and even clothing items, to the Middle East. We have very good relations with the Sudan, Kuwait, Abu

Dhabi and the Federation of the Arab Emirates, where we are expanding our trade. In fact, our relations with the Middle East pre-date the time when Kenya was colonized; they go back to the 7th century. So it is a very good thing that we are now rebuilding that trade between the East African region and the Gulf, as we call it, the Middle East particularly.

We hope it will expand. The question of how the Arabs want to impose sanctions on countries that trade with Israel is a decision for the countries in the Arab League, and we're not in a position to tell them how to treat any particular company. In the case of Kenya, moreover, it does not really involve that many companies, and those are companies that have branches here but which are, strictly speaking, international companies based mostly in Europe.

► *Kenya's independence philosophy was "harambee", which President Moi has developed as "nyayo". What does that imply?*

— It is a motto, a guideline. Harambee in Kiswahili, our own language, means "let us pull together". Now, it was coined and popularized by our first president, President Kenyatta. His purpose was to emphasize that ideologies are not really the dividing line as far as peasant farmers are concerned. The most important guideline—as he explained to us and we all came to accept—was that peasant farmers should assist each other: in other words, it implies the cooperative effort.

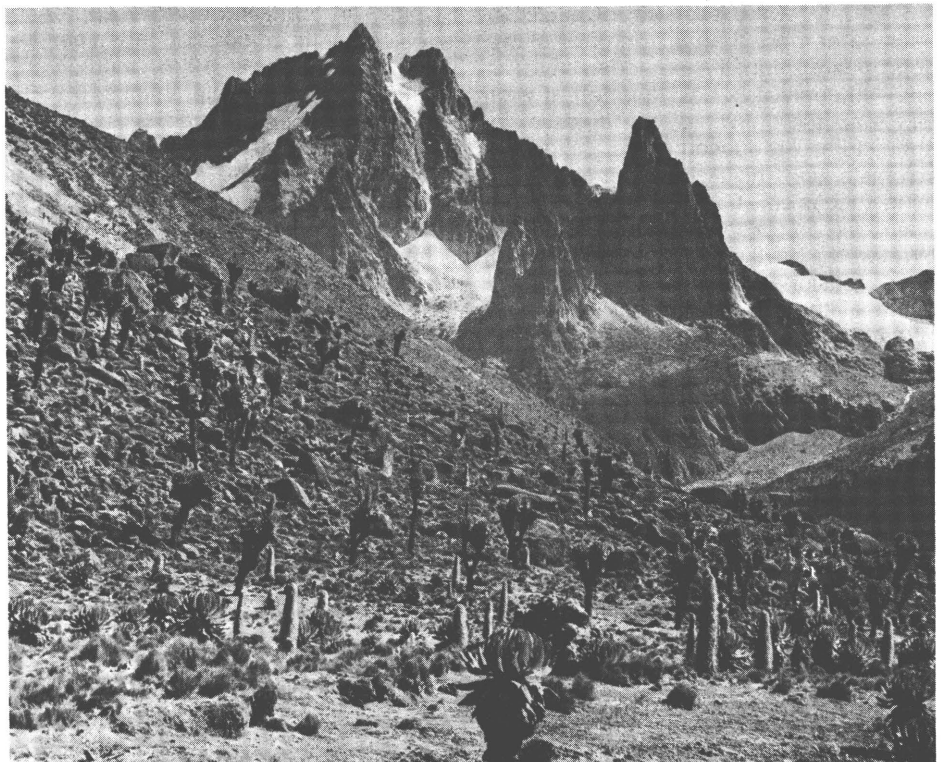
And therefore he went for the cooperative movement in the production of agricultural products—marketing together, processing together. This has been very successful. In many ways I would say this is what has made our development plans successful.

The fact is that the peasant farmers have been able to join together for the purposes of buying seed and fertilizer, pooling transport equipment, finding markets, in other words assisting each other with those common needs which can be met more effectively within a cooperative. So the spirit of harambee implies the cooperative movement: you pull together.

One must eliminate jealousy. It cannot prosper alone. You can prosper if you join with your fellow men in the same village. We have used this movement as the basis for community effort, self-help; we have now built more than 500 clinics by community work, voluntary labour, a thousand primary schools, a thousand secondary



Watering the cattle—here on Marsabit Mountains—is sometimes a real burden. There is a shortage of manpower in rural areas



A view of the Mount Kenya. The tourist sector attracts a lot of investment

schools... We are continuing and President Moi has said we are on the right lines, on the foundations laid by Mzee Kenyatta. The word "nyayo" in Kiswahili literally means "footsteps", so we will follow those footsteps of the founder of the nation, Mzee Jomo Kenyatta. And now President Moi has developed this much further. He has brought it home to the villages that helping each other, helping those who

are disadvantaged, is a duty to us. This year he has declared to be the year of the disabled. He himself lays now greater emphasis on youth development, because our population is young: 50% below 15. So his philosophy of Nyayo is to follow these footsteps and, of course, to expand on the basis of what we have inherited, and in that he has been proving extremely successful. ○

Interview by AMADOU TRAORE

KENYA

Leaner years ahead

Nairobi, the capital of Kenya, is a resolutely modern city with its air terminals and "jetways", the tangible signs of increasing traffic, wide pavements in the town centre and streets bristling with tower blocks and intercontinental hotels. There is no doubt that the "pearl of East Africa" can stand comparison with a number of large European cities. It may seem paradoxical that a country known as a vast game reserve, with some of the best wildlife in the world, should have such a modern capital. But the paradox is only apparent because Kenya, famed for its big game, its photographic safaris and its incomparable long-distance runners, has developed remarkably and is one of the rare successes of the last two development decades in Africa.

First, it has been an economic success. During the first 10 years following independence (1963), the average growth rate of the economy was 6.8%, peaking at more than 8% in particularly good years. Industry expanded at 10% p.a. Although in certain quarters it was felt that there would be a drop in agricultural production once the white colonists and the Asians left, no such thing occurred. On the contrary, the main export crops (coffee, tea and pyrethrum) have developed, albeit with the occasional setback, as a direct result of the policy of transferring particularly successful ex-British colonial plantations to African farmers (a system they are now planning to use in Zim-

babwe), combined with the application of "harambee", the slogan of independence, which means "pulling together" in Swahili. In agriculture, this approach involved setting up cooperatives for small producers. In 1976, there were 86 389 ha of coffee plantations, 56 595 ha of them being worked by small farmers. Tea plantations were similarly divided—44 000 ha in smallholdings and 26 500 ha of large-scale concerns. The introduction of the smallholders scheme, with proper extension services, transformed the life of rural Kenya. Now the peasant farmers not only grow maize, their staple food, and corn, but cash crops as well; they group together to buy seed, fertilizer and

insecticide and to transport their produce.

But harambee is much more than a simple cooperative movement. It is a system of social organization. The cooperatives have a social function, for instance, via the joint construction of health centres (there are 500 in Kenya) and schools (1000 primary and 1000 secondary schools) where teachers are paid by the community.

Kenya's other success story, and one which has made the country's fame, is its tourist trade, second only to agriculture as a foreign exchange earner. There were 2000 hotel beds in 1963 on independence and there are more than 21 000 today. In 1978 foreign exchange receipts from tourism were worth K £60 m and accounted for 9% of all exports of goods and services. It provides 16 000 jobs across the country and caters for more than half a million visitors annually.

Tourists come from all over the world to see big game in Kenyan parks or to film the biggest flock of flamingos on the banks of Lake Nakuru. The authorities are well aware that all kinds of poachers and smugglers are killing this goose that lays the golden egg, and have therefore banned all hunting and set up a veritable little army that can intervene rapidly to protect the animals. Visibly, Mr G.K. M'Mbiyiwe, the tourist minister, is satisfied with the situation. He told the *Courier* that development prospects in the tourist trade are excel-



Tourists come from all over the world to photograph the flamingoes on the banks of Lake Nakuru

lent and have not suffered from the closure of the Tanzanian border, as expected. What must be done, he said, is to plan ahead as regards the increase in hotel accommodation.

Smooth succession

Kenya over the last 20 years is perhaps a political success above all, and it was this that paved the way for economic expansion by creating the right sort of climate. It has remained more or less constant; there has been neither civil war nor a coup d'état. The *de facto* introduction of a single party, justified by the need to rally the various clearly defined ethnic groups, has not suppressed all political debate. Nor has it changed the consultation procedures into routine formalities. Since independence, all general elections run in Kenya have seen party bigwigs left out in the cold. To be elected, a candidate has to have the blessing of the party (KANU—the Kenyan African National Union), but there are usually three or four times as many candidates as seats. Last November, more than half the 178 MPs (including seven ministers and 15 assistant ministers) lost their seats. This is a far cry from the unanimous vote system used in some places. All the MPs are judged on their records and audacious candidates often launch successful attacks on apparently safe seats. At the last general election, only six people (including President Arap Moi and vice-president Kibaki) stood unopposed. Mr Kibaki told us that this is the first time such a thing has happened since independence.

But the most encouraging sign of Kenya's political maturity is the smooth take-over from Jomo Kenyatta, the first president, that charismatic figure who still seems to watch over the country's political life from the mausoleum close by the parliament building. It was Kenyatta who emerged from a British jail (he got seven years for provoking the Mau-Mau revolt, something he always denied) and committed his country to close cooperation with the UK, making Kenya second only to India as a recipient of British development aid. And it was he who forgave his opponents and started the now common Kenyan practice of holding one's hand out to the opposition, something which led to Oginga Odinga, another great figure of independence, becoming head of the Cotton Marketing Board.

Succeeding a man such as Kenyatta could have been a problem, but the take-over was smooth. Vice-president Daniel Arap Moi, who had long been responsible for the day-to-day running of the country's affairs, was elected president.



The government is trying to increase milk consumption, a source of valuable proteins, with mobile demonstrations of what can be made from it

Economic difficulties

But now there are cracks appearing in this politico-economic edifice which, although not perfect, seemed a very sound example in troubled East Africa. The economy which, thanks to high coffee prices and support from the tourist trade, made such a remarkable job of overcoming the 1974 oil problems, is now showing signs of flagging. Oil imports will cost \$ 400 million this year as against \$ 130 million in 1978. Coffee prices are still high, but there was a much smaller crop last year; the corn harvest was too small to meet increasing demand and milk was short because there was not enough rain. Private investments also slowed down considerably. As if that was not enough, maize, the staple food in Kenya, was in short supply and people had to queue in Nairobi to buy their flour. This shortage was particularly hard, as agriculture minister J. Osogo was quick to agree; but, as he said, the problem was not one of production but marketing. "We made a mistake when we assessed production. We thought we had a big surplus and so the government raised its restrictions on the movement of maize and enabled the mills to get their supplies direct from the farms instead of going through the Maize Board, which had exceeded its storage capacity". The result soon made itself felt. Kenyan maize was sold abroad, in Zambia and Uganda, where prices were higher and this created a domestic shortage that a relative drought made it impossible to cope with. But with the long rains that have just begun, optim-

ism has returned and the agriculture minister is convinced that, if the rains continue, Kenya will overcome these problems this year.

Meanwhile, some 100 000 t of maize has to be imported from the USA and this will worsen the balance of payments deficit. One thing is certain. There will have to be swingeing cuts in the five year (1979-83) development plan and the 6.3% economic growth rate target will not be met. Mr Kibaki, who is also the minister of finance, agrees. There will not be enough capital to finance all the projects in the plan, as imported oil and capital goods will cost more. Some investments will have to be postponed, although the general strategy of the plan will be maintained.

This strategy, to reduce poverty, involves a large amount of rural development and job creation. Kenya faces a formidable challenge—finding jobs for one of the fastest-expanding populations (the growth rate is around 4% p.a.) in the world. Ex-attorney general Njonjo, now an MP, recently scandalized the public by standing up in parliament and saying that the Kenyans had to "stop breeding like rabbits". In 1969, the population was around 11 million. Today it has reached 15 million and the forecasts suggest it will be upwards of 28 million by the year 2000.

According to the development plan, 266 000 young people will be entering the labour market each year between 1979 and 1983, but only 50 000 of them will find jobs in the modern sector. So the rural sector alone has to be able to

absorb most of the 216 000 other potential workers. But wages are by no means attractive. An integrated rural study run in 1977 revealed that 41% of the people working on family smallholdings (representing 81% of the total population) had an income of less than KSh 2 000 per family in 1974/75 and 14% between KSh 2 000 and 3 000. The quite categorical conclusion reached is that this was not enough to cover basic needs. Which is why, although agriculture can in Mr Osogo's opinion provide an answer to the unemployment problem, particularly among the younger sections of the population, it has to be admitted, as Mr Kibaki said, that there is a shortage of manpower in rural areas.

A step forward

The government is aware of this contradiction and has taken steps to remedy the situation. The development plan gives priority to five particularly underprivileged sections of the population—nomadic herdsman, small farmers, agricultural workers, the urban poor and the handicapped. But as the development plan is compromised by the present economic problems, it is likely that the really urgent rural programmes will be considerably reduced or put off for the time being.

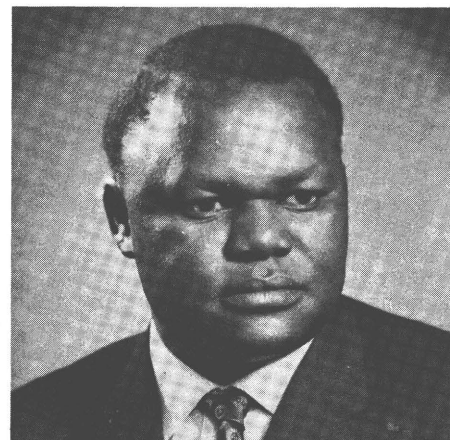
However, pessimism would be out of place. Kenya has its difficulties, and

they are made worse by the international economic situation. But the problems are not really insurmountable and the country has a number of genuine assets:

- sound experience in the tourist trade that should go on bringing in more tourists and therefore more foreign exchange. Minister Mbijiwe is confident that things will go well. He does not fear competition from countries with as much, if not more, wildlife as Kenya;
- genuine possibilities of exporting food to neighbouring countries which have problems with their own supplies;
- trade links with Arab countries on the Gulf, which, as vice-president Kibaki pointed out, go back to the 7th century. At the moment Kenya supplies them with cement, agricultural produce and even textiles;
- an already flourishing fruit, vegetable and flower trade with Europe, which could expand still further, not counting the traditional exports of tea and coffee.

So Kenya is not short on means; but as its economy is still largely agricultural, it is prey to fluctuating commodity rates and therefore fragile. And it will be unable to cope with runaway demographic growth indefinitely.

Mr Osogo, who was responsible for public health in the last cabinet, was quite clear about this. Kenyans who responded poorly to the first family planning campaign are beginning to



Agriculture minister J. Osogo

realize that they have to restrict and space out their families. Meanwhile, Kenyan children (more than half the population of 15 million is under 15) receive the sort of attention that would make many a European child envious. They get free milk throughout primary school (4 million pupils), free meals and free transport. The aim of all these programmes is to improve the health of young people, for it will be up to the younger generation to consolidate the "nyayo" approach (Swahili for "a step forward"), the slogan of President Arap Moi. At a time when progress is often impatiently expected, Kenya prudently prefers to advance slowly but surely, a realistic approach that is a worthy continuation of the Jomo Kenyatta policy.

○ A.T.

Kenya and the Lomé Convention

The EEC is Kenya's most important trading partner, both as a client and as a supplier. In 1978 the Community took 43% of Kenya's exports. The UK is Kenya's main market, followed closely by West Germany.

The EEC accounts for 51% of Kenyan imports, with the UK by far the largest supplier. Coffee, tea and refined petroleum products are Kenya's main exports, accounting for 75% of the total. Main imports are machinery and capital goods, crude oil and transport equipment.

As the Kenyan shilling is linked to the SDR, it has depreciated considerably with the weakening of the US dollar. As the European currencies have strengthened against the dol-

lar, the terms of trade with the EEC have improved for Kenya. This has strengthened the position of Kenya's foreign exchange earnings.

Relations under Lomé I

Financial and technical cooperation

The EEC's indicative aid programme for Kenya from the 4th European Development Fund is 72 million EUA (712 296 million KSh). However, total EEC aid to Kenya under Lomé I is almost double this amount, due to loans from the European Investment Bank, Kenya's participation in regional pro-

jects and other instruments of cooperation within Lomé and outside it.

So far, 94% of EDF indicative aid has been approved for financing. The rest will probably be committed by the end of this year.

Priority in the indicative aid programme has been given to innovative rural development. This has meant a concentration of aid on a few large-scale projects designed to help Kenya achieve "take off".

Industrial cooperation

The European Investment Bank has approved 46.1 m EUA in credit for industrial ventures in Kenya under Lomé I. This includes 44.9 EUA from its own resources and 1.2 m EUA in risk capital.

Profile

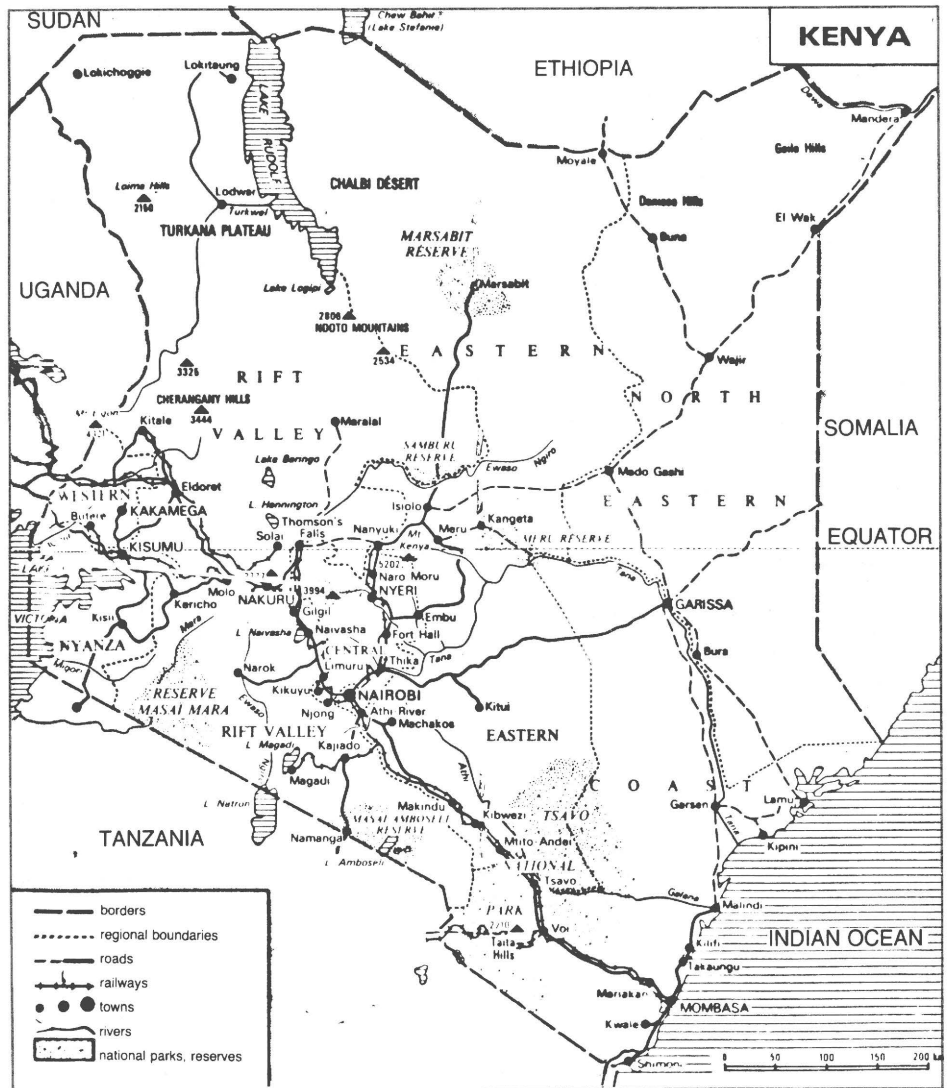
Covering 583 000 km², Kenya has a population of 14 860 000 (estimate for first half of 1978) growing at an annual rate of 3.9%. Per capita GNP was US \$ 373 in 1978. Apart from the capital, Nairobi (pop. 800 000), the main towns are Mombasa on the coast (pop. 300 000), Nakuru and Kisumu.

Kenya attained independence on 12 December 1963 and became a republic in November the following year. The first President of the Republic, Mzee Jomo Kenyatta, died on 22 August 1978 and was succeeded by the vice-president, Daniel Arap Moi.

Kenya's only political party is the Kenya African National Union, KANU. Its currency is the Kenyan shilling: 1 European unit of account (EUA) = Ksh 10.33 (April 1980) or US \$ 1.28.

The main food crops grown in Kenya are maize, wheat, millet, root crops, bananas, sugar cane and citrus fruit. Stock-raising is a major activity; the country has some 7 500 000 head of cattle, 7 711 000 sheep and goats and 67 400 pigs. There is fishing along the coast and around lake Victoria.

Kenya's main exports are coffee, tea, pyrethrum and refined petroleum products. Machinery and other industrial equipment, vehicles and crude oil are the principal imports. ○



Regional cooperation

Kenya is participating in three projects financed from the 339 m EUA regional cooperation fund under Lomé I.

300 000 EUA will be used to carry out a study for an integrated development programme in the Omo Turkana border region of Kenya and Ethiopia. The work is just beginning.

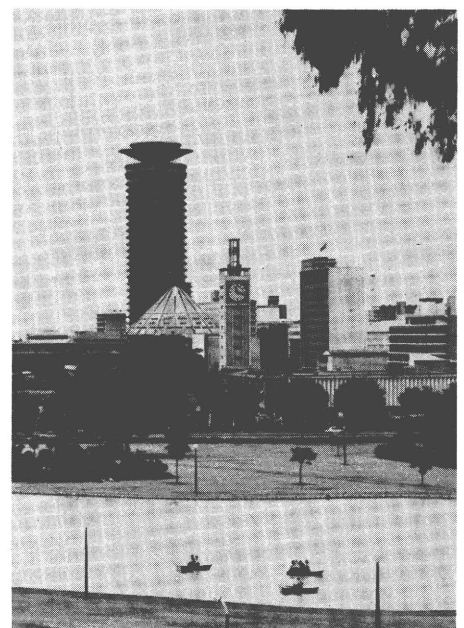
A 100 000 EUA contribution has been granted for the 1978-1980 training programme at the African Regional Labour Administration Centre (ARLAC) in Nairobi. ARLAC provides training courses for civil servants from English-speaking African countries. Approval is expected later this year for a 10 m EUA grant towards the upgrading of the two border sections of the main direct road between Kenya and the Sudan. Further regional aid may be forthcoming for this project under Lomé II. The studies are

financed by Norway. The Community is co-financing this project with USAID.

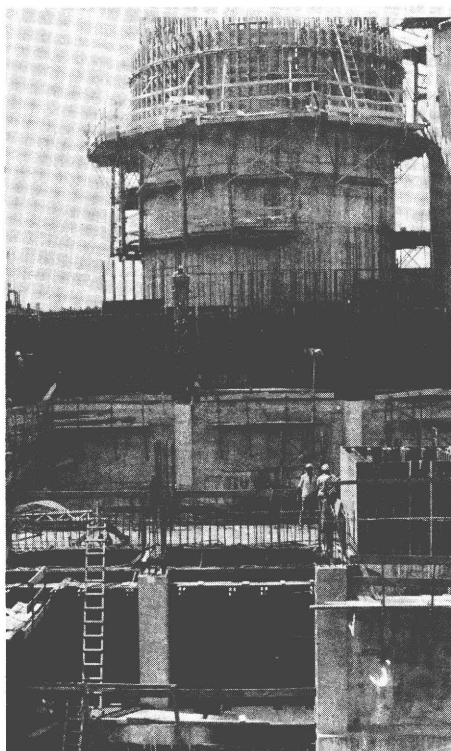
Kenya is likely to benefit from an increased amount of regional aid under Lomé II, particularly for transport infrastructure and training.

Trade cooperation

Sugar: Kenya has a 5 000 ton export quota of refined sugar under the ACP-EEC sugar protocol. However, since domestic demand is greater than supply, Kenya has found great difficulty in delivering its quota. Since no sugar was delivered to the EEC in 1977/1978, the quota was reduced to 93 tons for the 1978/79 campaign and subsequent years. Kenya asked for the quota to be reinstated to the normal level, on the grounds of force majeure, in 1979. The Commission rejected this but Kenya continued to press for the reinstatement



The "Kenyatta" conference centre in Nairobi



Masinga dam under construction. The EEC aids several hydro-agricultural projects

of the original quota. A good offices procedure was agreed recently at the ACP-EEC Council of Ministers.

Meat: The 130 ton annual export quota for beef and veal has not been taken up on account of increased domestic demand. The quota benefits from a levy abatement if the exporter raises an equivalent export tax.

Fishing flies: Kenya has obtained a derogation from the rules of origin.

Trade promotion: A trade promotion programme costing 400 000 EUA (3 957 million KSh) is under way and involves the provision of a marketing training adviser. Kenya also receives EEC assistance for participation in regional and international trade fairs.

Stabex

Kenya's request for a Stabex transfer for loss of sisal export earnings in 1975 was turned down by the EEC, since losses were not incurred for all destinations.

In August 1977 Kenya received 300 000 EUA (2 968 million KSh) in EEC emergency aid for flood relief work. More recently, the Community provided 1.6 EUA for locust eradication and control in East Africa, through the Desert Locust Control Organization of Eastern Africa and the FAO.



The EEC helps promote Kenya's crafts. Above G.K. Theury, foreign trade spokesman, discussing the products with two members of the Commission's staff in Nairobi

Aid outside the Lomé Convention

Food aid: Annual amounts worth 1 m EUA were provided in cereals milk powder and butter oil in 1975 and 1976. Good harvests since then have meant that Kenya is now able to provide maize to food deficit neighbouring countries if called on to do so.

UN emergency assistance ("Cheysson Fund"). This aid was intended to assist developing countries afflicted by the oil crisis. The EEC granted 8 m EUA (79 144 million KSh) in 1975-1976 to help Kenya pay for essential imports. The Community also contributed to the UN Secretary General's Special Account of which 7 m EUA (169 251 million KSh) went to Kenya.

North-South dialogue special action (Paris Conference on International Economic Cooperation, CIEC): This aid is channelled through the International Development Association, an affiliate of the World Bank. Of the total EEC contribution of US \$ 385 million, \$ 4 million will go to Kenya.

Non-governmental organizations: Between 1976 and 1979, the EEC granted 826 000 EUA towards co-financing 16 NGO self-help small-scale projects. (These funds are outside the Lomé Convention).

Relations under Lomé II

An EEC Commission and EIB team was in Kenya on 5-7 March this year to outline the indicative aid programme for Lomé II with the Kenyan authorities. It was agreed that balance of payments problems which could hinder progress under the 1979-1983 development plan should be taken into account in the indicative programme.

The priorities for EEC aid in the next five years and the proportion of EDF financing are as follows: rural development (34%), energy and mining (27%), transport and communications (14%), education and training (11%), technical assistance (7%), industrial and trade promotion (3%), reserve (4%). The EIB has agreed to grant 60 million EUA in loans for projects in the following sectors: agro-processing for export, mining (potash extraction at Lake Magadi), energy, tourism, extensions to the port of Mombasa, and small and medium-sized industries.

The EEC has allotted 115-140 m EUA from the EDF for regional projects in East Africa. Kenya expressed its interest in road projects (Kenya-Sudan links, Kenya-Ethiopia, Kenya-Somalia, the Mombasa to Kigali transport system, Lake Victoria transport, agriculture and fisheries projects, tourism and trade promotion, health and training. ○

SOMALIA

A long row to hoe

Somalia's future seems assured, yet it has major problems. It has a 3 300 km coastline stretching north as far as Djibouti, a hinterland with considerable agricultural and mineral potential and, various estimates suggest, all that is theoretically needed for the sort of economic development that will engender social progress for the population as a whole.

However, in spite of the considerable progress made by President Syad Barre's government since the 1969 revolution, Somalia has had problems, particularly since 1974/75. The drought and the geopolitical situation in the region are serious handicaps in the drive to get the country out of its economic underdevelopment. The government's strategy, based on the country's potential, the climate and the regional geopolitical situation, is aimed at shaping the national economy, developing resources and consolidating the nation.

Another variant of socialism

Over the last three or four years, the Mogadishu authorities have come to realize that some of the options of the 1969 revolution have to be adapted to what might be called the internal factors of development—essentially the socio-cultural and economic aspects of the country. This has resulted in greater emphasis on non-alignment, membership of and stronger ties with the Arab League, considerable liberalization of the regime and the expression of national values.

So, although ministries and other public buildings still display notices to the effect that "we have chosen scientific socialism because it is the only way for the rapid transformation of the country into a developed and economically advanced nation", it would seem that the authorities are looking for another, non-scientific variant of socialism for Somalia.

In spite of the incentive offered by socialism and the genuine hopes it gives rise to, Somalia has a grain shortfall of about 100 000 t p.a. Obviously the extremely unfavourable climate, which has caused a large drop in yield



Planning minister Ahmed Habib
Priority to agriculture, fisheries and stock-raising

in agriculture and livestock, should not be overlooked.

Somalia could produce most of the food it needs

Yet Somalia could produce the bulk of the food it needs, even given the hostile climate, as it has great agricultural potential (bananas, citrus fruit, cattle, sheep and so on).

In order to achieve this aim, the government is setting up a programme of production infrastructure which, as planning minister Ahmed Habib explained in an interview with the *Courier*, will be concentrating on the primary sectors, on agriculture, livestock and fisheries, which should be the basis for large-scale agro-industrial development. The development of mining will then come afterwards.

This is why a three-year plan (1979-1981) has been introduced by the new socialist party to correct and revise the main aims of the previous five-year plan (1974-1978), which could not be fully implemented because of inflation (the costs rose from something like So Sh

3 800 million to 7 200 million, i.e. US \$ 1 300 million). Furthermore, as Ahmed Habib said, since the majority of the population of Somalia do not eat fish, a campaign has to be run to get them used to it and to exploit this high-protein, commercially, profitable resource. Livestock and fisheries are the backbone of the country's economy, the minister of planning said. Somalia has around 33 million head of cattle and this sector accounts for 70 % of the population's economic activity.

A major programme to develop grazing land and provide village water supplies should increase both the size and the quality of the national reserve of livestock. It will also speed up the rate at which nomads, the principal herds-men, settle and thereby help ensure that they get better aid and protection against the cyclical drought that has hit the country since 1974.

Considerable attention will also be paid to fisheries because Somalia has "one of the longest coasts of independent Africa", all of it rich in fish, as Mr Habib pointed out.

Mineral resources

But, the minister went on, in addition to agriculture, livestock and fisheries, Somalia also has high hopes of its substantial mineral resources, particularly oil. International companies have been prospecting for more than 30 years and it can be confidently said that the country should soon be a major producer of oil. Privately-run economic studies of Somalia have not hesitated to call the country another Libya. And it could well become another Argentina as far as its livestock is concerned. Although these are not the terms used by the minister of planning, at least as far as oil is concerned, he still says "we are greatly confident" as to the outcome of the ongoing oil prospection. Obviously, he added, the companies may have economic reasons for not wanting to develop the deposits (and there are something like 50 of them) yet, but since they have been operating in Somalia, the authorities have felt that they are doing a good job and getting positive results.

Somalia is not just reckoning on oil. Mohamed Hagi, deputy minister for water and mineral resources, made this clear: "there are other strategic minerals, including uranium, copper, manganese, zinc, tin and iron, and we are very

optimistic about the exploitation of these other mineral resources in the near future."

The importance of communications

The implementation of development programmes in Somalia will also depend on communications between the different regions. The communication infrastructure has always been an important part of national planning, Mr Habib said.

"This is a historical problem, a historical question", because in the past, before independence, the republic (Italian Somalia plus British Somaliland) had practically nothing in the way of communications: no proper ports, no airport and no national roads.

For the first 20 years of independence, this hampered the harmonious development of north and south. The economic potential of the whole country can only be exploited if there are proper nationwide networks by sea, air, land and telecommunications. So infrastructure is one of the government's priorities.

A whole network of roads will be built, linking the far north with the far south, from Kismayu to Berbera, and there will be a certain number of major works, such as the Bardheera dam from which several thousand ha of crops will be irrigated. The EEC will be making a decisive contribution to these infrastructure projects (particularly the Bardheera



Ministry of Information

Industry minister Ali Khalif

dam, of which it is the main financier—see below, *EDF projects in Somalia*).

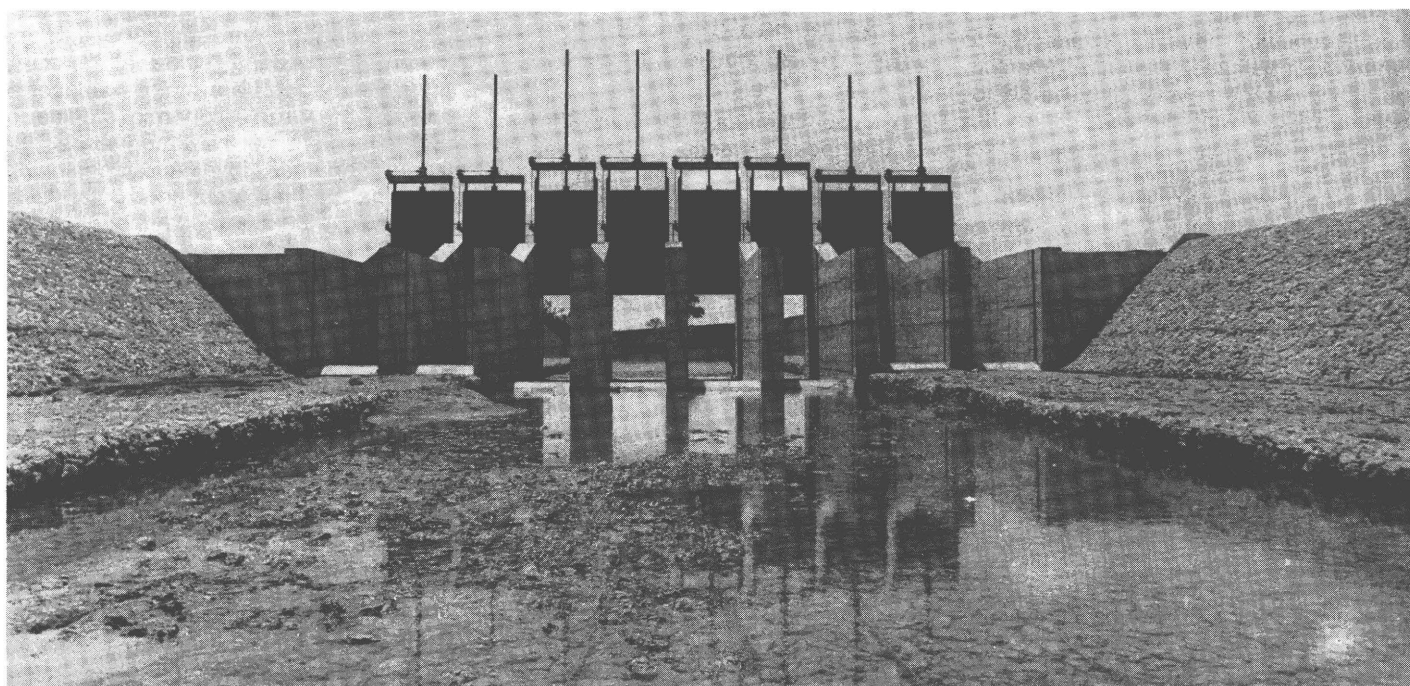
Great confidence in cooperation with the EEC

But the development needs and tasks are far beyond the scope of Somalia

itself, as official circles in Mogadishu are well aware. The authorities stress the major role the population has to play in all economic and social development, yet attach greater importance to cooperation. Without it, the country would never fully emerge from underdevelopment. Cooperation with the Arab League will be stepped up, and above all cooperation with the West in general and the European Community in particular will be increased. As Mr Habib said, since independence in 1960, and since the Conventions of Yaoundé and Lomé, the EEC has provided substantial help for Somalia and the country is grateful for the assistance it is getting now and will be getting in future. It is confident that the European Community is ready to help with various sectors of the economy, particularly with training managers, one of the biggest concerns.

One important example of Community aid, Mr Habib said, was the considerable amount the EEC was channeling into the Bardheera dam project in the Juba Valley. This will transform the whole economy because it is part of the Juba Valley Scheme, a general programme lasting 30 years. This scheme is one of Somalia's most monumental enterprises and, the minister said, the whole of the Somali government was grateful to the EEC now and would be in the future.

This dam, which will have considerable economic effects (many on food crops) should prove a vital element in getting genuine regional cooperation going between Somalia and its two neighbours to the west. So far, this is embryonic or even non-existent. The



Glamour Studio, Mogadishu

Dams are the farmers' main hope in the fight against drought, but even the rivers dry up: the Schibeli (above) is supposed to supply irrigation to 3 000 ha of food crops via a dam



EEC food aid arrives in Somalia, watched by the EEC Commission delegate in Mogadishu, Charles Pellas

Horn of Africa is the only area of the continent—apart from South Africa with its apartheid policy—where, for political/historical reasons, cooperation seems difficult. There are the beginnings of links between Somalia and Djibouti (a road is being built), Somalia and Kenya (study for a highway) and Somalia and the Seychelles (exploitation of maritime resources, transport, telecommunications, etc.), as Omar Giama, the deputy planning minister and ex-ambassador to the EEC, pointed out. Representatives of Somalia

and the Seychelles held a meeting on these topics in Victoria (Seychelles) on 17 April 1980.

The implementation of large-scale economic projects by the EEC could therefore encourage neighbouring states in the Indian Ocean to join together. But it is felt in Mogadishu that the EEC drive for peace goes beyond purely economic considerations. Mohamed Said Samantar, minister for political affairs in the President's office, considers cooperation between Europe and Africa vital, as the weight of a

united Europe could enable Africa to escape from the clutches of the two superpowers. "Africa is tired of being fought over by the superpowers and Europe can help build an independent Africa", Mr Giama added; he thought Europe would mean "hope" for the continent of Africa.

An emergent industry... tourism advances slowly

Somalia's economic potential is real and the future of development can be viewed with optimism. But unlike many other African countries, industry here is only emerging slowly and carefully. The authorities are being careful not to put the cart before the horse. This is sensible in a country where 80% of activity is based on livestock, where agriculture is hard hit by drought and where capital is in very short supply. Industry minister Ali Khalif explained that the foundations of Somalia's industry must be even more seriously laid. As things stand, industry accounts for less than 20% of GNP.

The main components are a sugar refinery at Juba producing less than 40 000 t p.a., not enough to meet domestic demand, and one or two small factories, mainly producing textiles.

There is only one industrial project going ahead at the moment—a new sugar factory in the far south. It is scheduled to go into operation in July 1980 and produce about 75 000 t of sugar p.a., enough to leave a small surplus for export.

In future, Mr Khalif explained, Somalia will be offering incentives to foreign capital, particularly via the broad guarantees of an investment code which is "one of the most liberal there is... We shall be developing industrial sites and setting up services to assist with the various stages of company establishment... But we do not expect much from this capital", Mr Khalif added. He expects more from European aid.

Tourism has yet to be exploited—in spite of the long coastline, fabulous sandy beaches, extraordinary scenery and a warm welcome from the local people—and the government is going about developing the tourist trade with circumspection and prudence.

There are simple but important reasons for this, the planning minister said. First there are the cultural aspects which cannot be neglected when envisaging the tourists, particularly the European ones, who come to the country. But above all, there is the extreme



View of Mogadishu

weakness of the tourist infrastructure, accommodation and services. However, Ahmed Habib said, the government will be establishing, albeit very slowly, a tourist policy with substantial investments in infrastructure and in management and service training.

Aid from the EEC or its member states will be applied for to cover this training.

Refugees — a serious problem

No economic picture of Somalia would be complete without mention of the Ogaden refugees, a serious problem which weighs on the national budget and pares down state investment in a country where the public sector is the most important one in terms of employment and distributed income. There can be no question of a political issue between two neighbouring and fraternal countries. The problem is mainly a humanitarian one which, through lack of information or through indifference even, the international community tends to underestimate but which the government and the people of Somalia know well is a profound cause for concern.

The deputy minister for local government, Abdi Mohamed Tarrah, who is responsible for refugees, said that last April there were 646 075 refugees in 21 camps, arriving at an estimated rate of 2 000 per day. Most of them (80%) were women and children and the death rate among the latter group was very high. Economically, Omar Giama said, this means a deficit of about 100 000 t of grain plus a similar figure for the Somali people.

Government resources have been allocated until the end of the year but, after 1980, no more aid is planned, although substantial assistance was received from the European Community in April (about 5 million EUA) and from Germany, various other Arab states (Iraq, the United Arab Emirates and Saudi Arabia) and the UNHCR. However, while they hope for larger contributions to help the refugees survive, the Mogadishu authorities think the best aid would be to solve the problem altogether.

As Abdi Mohamed Tarrah stressed, it is worse than anything in Cambodia. The authorities think the answer should be political rather than military; that is to say, that it should be a peaceful solution. However, here as with its economic development, the government has a long row to hoe.
○ LUCIEN PAGNI

Omar Giama:

“Lomé II — an interesting experiment, but aid still falls far short of what is required”

Omar Giama, Somalia's one-time ambassador to Brussels and negotiator of Lomé I and II and now deputy minister for planning, told the *Courier* what he thought about the negotiations for Lomé II and of the content of the new Convention.

“I must say”, Mr Giama began, “that the negotiations leading to Lomé II were very interesting and took place in a more friendly atmosphere than the negotiations for Lomé I. The EEC and the ACP partners knew each other better than on the previous occasion.

“With regard to the content of the Convention itself, I must say that there have been tremendous improvements in the sense that co-operation between the Community and ACP countries has advanced. Of course, one could not say that all these qualitative improvements were matched by corresponding quantitative ones, because the increase in overall financial aid from the Community to the ACP countries as a whole did not increase as we expected. Our expectations were that in calculating the value of aid, the Community would take into account the economic upheavals which have taken place between 1975 and 1980/81, when the new convention will come into force. The Community did not take into due account the depreciation of money and currencies in fixing the total financial aid, or the fact that the number of ACP countries went up from 46 for the first convention to 59. (1) Overall one can say that the Community made a tremendous effort, taking into account its economic difficulties. So we think that the new convention represents a step forward in improving cooperation and the relationship between the Community and its ACP partners.”

Mr Giama then went on to talk about what Lomé II means for Somalia. His country, he said, would not be getting all the aid it had hoped for. “Our point of contention is that the increase which was made in total aid for Somalia did not take into account



Omar Giama, vice-minister of planning

monetary depreciation and inflation, but the amount of aid that we are going to receive will nevertheless fill a tremendous gap in our financial resources for development.”

In fact, the deputy minister went on, the Community will be working on one of Somalia's biggest ever projects, the Bardheera dam, which will absorb the lion's share of what the country gets under Lomé II. He hoped the project would be completed before the Convention expired in 1985. The size of the project means there will be fewer projects financed under Lomé II than there were under Lomé I. He also pointed out that there are more chapters in the convention this time, which hive off a lot of the total amount of aid, so the amounts allotted to individual ACP countries are smaller. This has led to a switching of appropriations.

Regional cooperation is a case in point. There is an increase of 100% here, from 300 to 600 million EUA, but as monetary depreciation (estimated at 60%) has not been taken into account, it is clear that aid to other sectors, particularly national projects, will fall far short of requirements, Mr Giama said. ○ L.P.

(1) Soon to be 60 with Zimbabwe.

Ahmed Mohamed Mohamud: Livestock: 80 % of Somalia's export earnings

The minister of commerce describes the trade and banking system in Somalia since the revolution, and the difficulties faced by the government.

► *Minister, in October 1969, shortly after the revolution, the government took significant measures to reorganize foreign trade. What is the pattern of Somalia's foreign trade now?*

— As you say, in October 1969 after the revolution the government took various steps to reorganize foreign trade, in that most essential imports were taken over by government or public agencies. Various organizations were established to import the most important basic commodities for the nation. The banks were also nationalized.

The situation now is that imports of basic food supplies, medicines and transportation are handled by government agencies. The idea was to make sure that these items are controlled by the government, not only in terms of importation but also in terms of distribution. Distribution is also under government control, except at the retail level. Wholesaling is entirely in the hands of the government.

Another important measure taken after the revolution was the unification of consumer prices. It was felt that, in order to observe principles of equity and justice within society, the most important essential items should be sold at the same price throughout the country. This unification of prices is still going on.

At the same time, in exports, a banana marketing organization was established with responsibility for export organization, and the same was done for hides and skins, frankincense, myrrh and gums.

The only major export item which is not in government hands is livestock, which happens to be the major export item throughout the country. We left that alone because traditionally Somalis have always been engaged in the export of livestock and the system was quite efficient, despite the fact that there might be some problems.



Ministry of Information

Trade minister Ahmed Mohamud
"Through the control of trade, the state aims to ensure that the population's basic needs are met"

But it is still done under the control of the government as a provision of government. That is the main item which happens to be in private hands, but as far as all other exports and basic imports are concerned, they are the responsibility of government agencies.

As far as the geographical distribution of Somalia's trade is concerned, it's true that traditionally Somalia was very much connected, like most of the developing countries, with the developed countries, particularly of Europe. Therefore, most of our trade especially imports originated from West Europe.

As far as exports are concerned, the major item, livestock, goes to the Middle East but banana's and hides and skins go to Europe. It's true that after the revolution there was some strengthening of trade relations with East Europe and the Soviet Union, because of the close relationship between the two countries. We had agreements, but they only represented a very small proportion of the total volume of trade exchange between the East bloc and Somalia. That has now also fallen tremendously and the main destination of our exports, apart from livestock, still

happens to be West Europe. The major part of imports still come from West Europe now. But the exports increasingly go to the Middle East.

► *How does the government help the private sector to export livestock?*

— The government creates the facilities and gives substantial facilities, for instance, bank credit, to the livestock traders. The government also provides facilities in organizing the shipping. We have acquired ships which are appropriate for loading livestock, and the same with bananas.

► *What effect have the reforms in banking and commerce had on prices and market supplies?*

— The banks were reorganized, and right now we have three banks apart from the Central Bank. We have a small commercial bank and a development bank, which is concerned with financing development projects in agriculture and industry and so on while the commercial bank is concerned with financing trade activities. The banking system has played a very important role in the development of commerce. One of the first things was to extend it throughout the country.

The commercial bank opened branches in many remote parts of the country so as to be able to carry the services and facilities of the banking system to the people; that has been extremely important, not only in mobilizing savings but also in lubricating the machinery of commerce throughout the country.

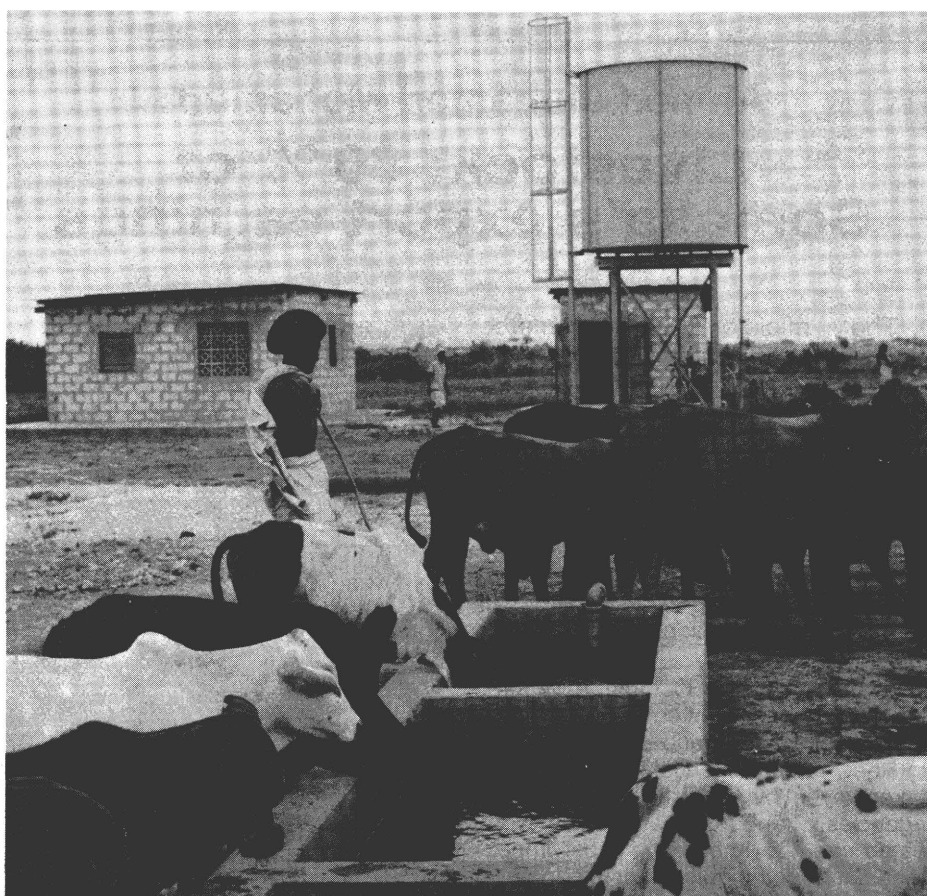
The bank provides facilities and credit to livestock exporters, and to other exporters as well. It controls the whole of the import side by providing the necessary finance and grants to the government institutions that are concerned with imports of essential commodities and the essential needs of the country.

Now, on prices and market supplies there is always the limitation that Somalia is a very poor country and our earnings of foreign exchange are very limited just over \$100 million, while the value of our imports is twice as much. So naturally there has to be very strict control over imports. We are not in a position to provide all the things that are necessary, therefore the banking system has been trying to concentrate only on financing the most essential needs of the country.

We have very strict control over this. One problem that has played a very important role is a system of importation of commodities that is termed "franca valuta", without using hard currency. There are a lot of Somalis working in the oil-producing countries in the Middle-East, such as Saudi Arabia and the Gulf states. These people do not send their wages through the banking system because of the exchange rate. We have been very reluctant to consider devaluation, for the very simple reason that we believe the only effect devaluation would have would be to increase the inflation that has been playing havoc in the country.

Most of our imports are almost inelastic, in that they are the most essential commodities. This unfortunately has had the effect that Somali workers abroad have been giving their money to Somali traders, and we have allowed them to import certain items through that 'franca valuta' system. It has had unhappy consequences for the banking system, in that it seems to be growing and it is carried on outside the banking system. The government is trying to find solutions and we hope to correct the situation very soon.

► What are the trends in your imports, bearing in mind President



Stock-raising is 70 % of the economy and brings in 80 % of export earnings

Siyad Barre's declaration in 1969 that Somalia's dependence on the outside world had to be reduced?

— Well, we have tried to confine our imports to the basic needs of the country. We do not allow the importation of luxury goods to any important degree, except through the 'franca valuta' system. The only way to lessen dependence on the outside world is to increase production within the country. In order to do this we have been trying to extend agricultural production, and also to establish smaller-scale industries that are based on the availability of raw materials in the country, mainly agro-industries.

We again have made tremendous efforts in this direction since the revolution. Unfortunately, we cannot say we have been successful. For various reasons, for a multitude of reasons, the whole process of development, as we realize, is not that easy. We have substantial investments in agriculture, but still we have not been able to cope with the needs of the growing population.

We have had natural difficulties: the big drought in 1974/75 was a great setback for our whole development, especially our agricultural development, and of course global economic problems and the problems of war, inflation and economic recession have had tremend-



Veterinary training, with FAO assistance, should increasingly improve the quality and numbers of Somalia's cattle

ous effects on small countries like Somalia. We are actually nowhere near self-sufficiency in food or anything of the sort. We are certainly trying our level best and we have been making some progress, but we still have to rely to a very substantial degree on the outside world.

► You say it is particularly the basic needs you are still importing; what can the EEC do to help in this field?

— The EEC definitely can and does help to some extent, with food aid and, of course, in the field of development. The major role of the EEC could be to help Somalia to develop its economy in all fields, but that's a long-term process.

The EEC does help us with this effort. At the same time, since we are in no position to supply our own basic needs, not having sufficient foreign exchange to buy food and development equipment, the EEC can help and does for instance with some food aid and other forms of aid.

► On the general commercial aspects of your relations with the EEC, how has the ACP-EEC Convention helped develop trade between Somalia and the EEC by providing duty-free access to the Common Market?

— Well, we are all familiar with the provisions of the Lomé Convention, and the duty-free access is one of the most important aspects of the relationship between the ACP and the EEC countries. Somalia is in the list of least developed countries, which frankly cannot take full advantage of these facilities.

Somalia does not have manufactured commodities which can be exported to the EEC; well over 80% of the foreign exchange comes from livestock, which is exported to the Middle-East. So because of its level of development, Somalia is not in a position to make full use of these facilities. At the same time, in spite of the duty-free access, there are lots of obstacles.

► The non-tariff barriers?

— The non-tariff barriers of course constitute an obstacle, for instance, to our exports of canned meat. I cannot say that Somalia has been benefitting a great deal from these provisions. That's why we feel that countries like Somalia should have more, for instance, in the way of food aid and other materials. And also special consideration can perhaps be given to removing the non-tariff barriers.

Interview by L.P.

The European Community and Somalia

by Charles PELLAS(*)

On more than one occasion, EEC development commissioner Claude Cheysson has rightly claimed that Lomé I is a unique example of cooperation in the already long history of relations between developed and developing countries and that Lomé II is the continuation of this ACP-EEC contract, desired by both sides and freely negotiated by them.

Certainly the two Lomé pacts are major stages in the process which, some 20 years after independence in most of Africa, both marks and confirms a remarkable relationship between Europe, aiming at political unity, and

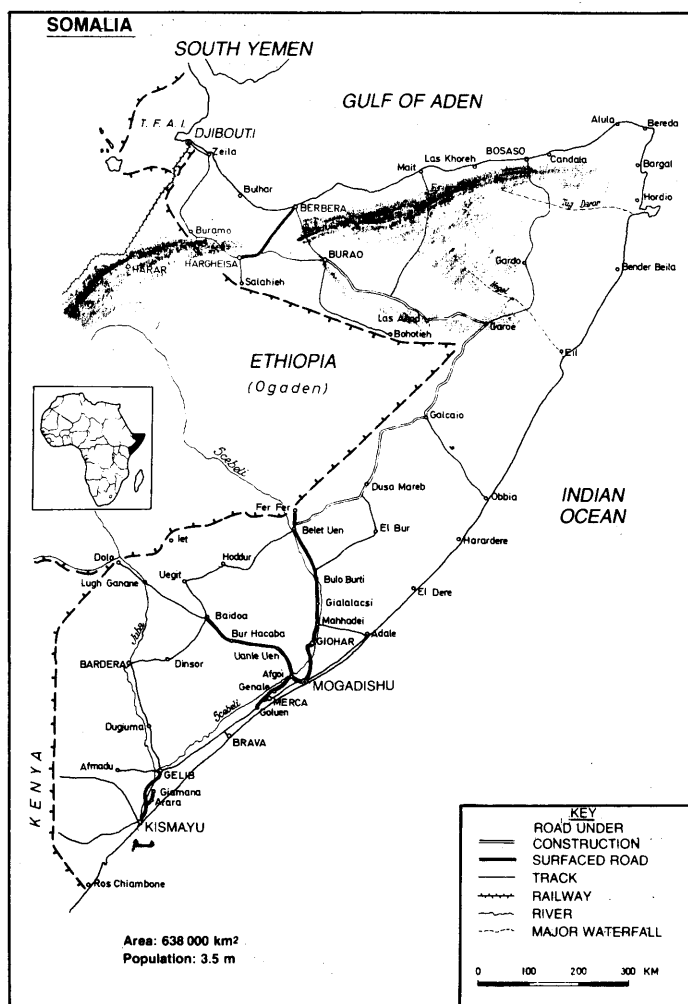
Africa, seeking stability, a continental identity and prosperity.

The end of the war, the passing of the colonial period, the Treaty of Rome and the Conventions of Yaoundé I and II were all stepping stones to the signing of Lomé I in 1975 and Lomé II last year.

Somalia, once a part-Italian, part-British colony, has been actively involved since 1959 in the process of Afro-European agreements, dictated by considerations of mutual interest.

No other economic convention in the modern world is such a good reflection

(*) EEC Commission delegate in Somalia.



of the agreement that 17 developing countries and six European ones freely enshrined in the old association agreements and that the now 59-strong ACP group and the nine Community states have today.

Somalia can rightly claim to be a full founder member of the Europe-Africa club of yesterday and the EEC-ACP club of today, by virtue of the continuity of its European policy, the strategy that General Mohamed Siyad Barre, the Somali head of state, wanted and has always followed.

Progress with the cooperation agreements since Yaoundé I has often been difficult and geared to the economic imperatives of Europe.

For Somalia, this progress has been remarkable enough since 1960:

— 1959-1964 1st EDF = 10 000 000 EUA;

— 1964-1970 2nd EDF = 28 000 000 EUA;

— 1970-1975 3rd EDF = 36 500 000 EUA;

— 1975-1980 4th EDF = 63 650 000 EUA.

The EEC aid provided from the four European Development Funds over the last 20 years has been channelled into the priority areas of the country's socio-economic development:

- agriculture and stock-raising;
- roads, ports and telecommunications;
- public health;
- schools and higher education.

In addition to the EDF programme aid, there have been several Community donations in the form of food and emergency aid, which have been particularly important and effective during the long periods of drought which have hit the country so hard since 1973.

The main schemes funded by the EDF over the 1975-80 (4th EDF) period were:

So the total amount of Community funds made available to Somalia under the 4th EDF was 73 676 000 EUA, something like US \$ 100 million. These figures do not include food aid (approximately US \$ 53 million over the last decade) supplied directly or indirectly to Somalia over the same period.

The 5th EDF programming mission, led by the head of the EEC Commission's directorate-general for development (DG VIII), went out to Somalia in March 1980. The indicative programme drawn up on this occasion stresses the top national priorities that the Mogadishu government wants to see the Community finance under Lomé II.

A large percentage of the 5th EDF allocation of between 73 and 83 million EUA will go on hydro-agricultural developments in the Juba river valley.

Total programme aid is to be divided as follows:

- | | |
|--|------------|
| 1. Development of national hydro-agricultural resources | 57% |
| 2. Development of marine resources and raising the standard of living of coastal communities | 6% |
| 3. Development of human resources with a view to meeting the country's socio-economic needs | 9% |
| 4. Better communications | 12% |
| 5. Technical assistance and studies, including research into renewable energy sources | 7% |
| 6. Reserve fund | 9% |
| | <hr/> 100% |

Somalia also hopes the Community will underwrite schemes to promote and develop regional cooperation among the East African states—for which a number of priorities have already emerged:

- a road link between Somalia and the Republic of Djibouti;
- a road link between Somalia and Kenya;
- regional cooperation schemes in the Indian Ocean.

Decisions on a major programme of food aid to Somalia for 1980 are now being taken in Brussels. This should help meet the country's basic requirements, which are all the greater because poor rainfall has caused bad harvests over the past year.

Somalia has also received a substantial amount of food aid to help handle its serious refugee problem.

| Sector | Amount (million EUA) |
|---|-------------------------|
| — Development of the Goluin & Bulo Mererta agricultural area | 9.5 |
| — Mogadishu pharmaceutical institute | 6.0 |
| — Goluin-Jilib road | 27.6 |
| — Mogadishu dairy | 3.0 |
| — National university (3rd EDF project) extra funds | 2.5 |
| — Experimental farm in the Juba valley | 4.0 |
| — Construction of a slipway in the port of Mogadishu | 4.0 |
| — Training | 3.3 |
| — Studies and technical assistance | 2.0 |
| — Studies for the Juba valley project | 1.7 |
| Total | 63.6 |
| There have also been a number of extra-EDF schemes during the 4th EDF period which the EEC Commission has financed in accordance with article 59 of Lomé I: | |
| — Building schools for nomads hit by drought | 995 632 |
| — Contribution for refugees (decision of 20.12.79) | 2 430 000 |
| — Second contribution for refugees (2.4.80) | 5 000 000 |
| — <i>Regional contributions</i> | |
| (A) Exceptional aid for refugees in the Horn of Africa, totalling 3 000 000 EUA, including a contribution for Somalia of | 1 300 000 |
| (B) Anti-locust campaign, totalling 1 600 000 EUA, including a contribution for Somalia of | 300 000 |
| Total | 10 026 000 |

So Lomé II begins in a climate of mutual cooperation between Europe and Somalia, and one can only hope that those concerned in this cooperation of 20 years' standing will continue the drive to promote the right ways and means of fostering the socio-economic development of an ACP country that was one of the first of Europe's African partners. ○ C.P.

EDF road projects

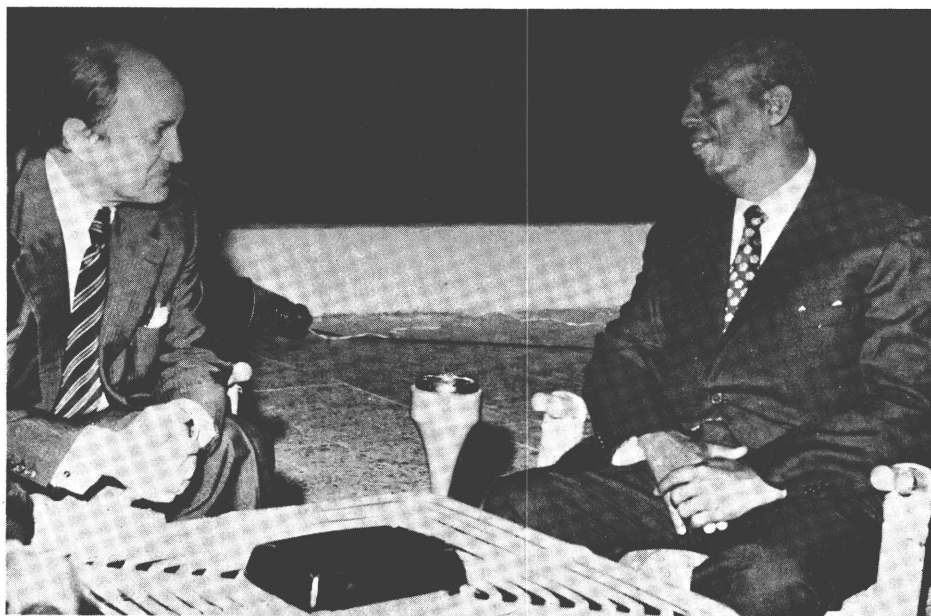
The Goluin — Jilib road. The EDF has underwritten many road schemes in Somalia since its beginnings:

- 1st EDF the Afgoi-Shalambod road;
- 2nd EDF the Shalambod-Jannale-Goluin road;
- 3rd EDF the Afgoi-Badoa road;
- 4th EDF the Arara-Jamame road;
- 3rd EDF road studies.

During the 4th fund, a permanent highway of considerable importance to the country was built with EEC-Arab Fund financing. The road in question, between Goluin and Jilib, is 257 km long and links Mogadishu, the capital, with Kismayu in the south. The only link between these two towns, both of them ports, has so far been no more than a rough track only usable for part of the year.

Main features of the project. The financing agreement was signed on 14.2.77 and the initial amounts allocated were:

— EDF grant 19 652 000 EUA = 52%;



Claude Cheysson, the EEC's development commissioner, with President Siyad Barre

— Arab Fund loan 16 628 625 EUA = 44%;

— balance from national budget 1 512 000 EUA = 4%;

Total 37 792 625 EUA

The work was due to start on 12.3.77 and scheduled to take 40 months to complete. An Italian firm, Pessina of Milan, got the contract. But so far only about 40% of the work has been completed as there have been delays, largely due to problems of organization and transport.

Progress depended on this transport problem being solved and an EEC Commission decision was taken, with the agreement of the Somali government, to buy 50 trucks to increase the transport facilities.

These are now in use and work is progressing satisfactorily.

The purchase of these trucks, plus the increase in certain prices (particularly of fuel), involved an extra financial contribution from the EDF and, when the 4th EDF indicative programme was amended in March 1980, the national authorities decided to allot another 8 000 000 EUA to the project.

So total EDF financing for the Goluin-Jilib road rose from 19 652 000 EUA to 27 652 000 EUA and the Community grant is covering more than 60 % of the cost of the project.

The work is now due for completion in November 1981, about a year behind



Building better communications networks is one of the government's main concerns (above: road financed by the EDF)

the original schedule. Bearing in mind the nature of the problems encountered, this delay does not seem unacceptable and the extra outlay, provided by the EDF, has been kept within reasonable limits for a project of this kind.

The road is of over-riding importance to a country which is more than 2 000 km from north to south.

At the moment there is a 1 200 km road, built by the People's Republic of China, between Mogadishu and Burao, but the final stretch from Burao to Hargeisa has yet to be built. Once the Goluin-Jilib road has been completed, there will be a direct north-south link (to Kismayu) via Mogadishu.

Two EDF-financed studies of regional (East African) projects should also be mentioned. One covers the Berbera-Djibouti road and has been completed. The other, still to be carried out, deals with a permanent road between Kismayu in Somalia and the capital of Kenya. Both the governments concerned have applied to the Commission for this. ○ C.P.

The port of Mogadishu

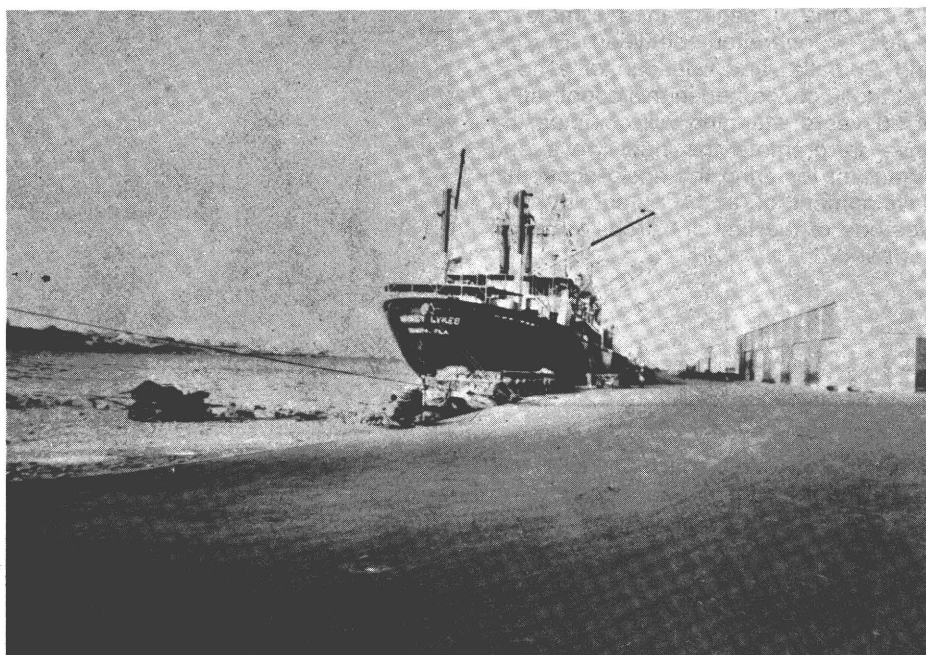
Before the deep-water port of Mogadishu was built, Somalia had ports at Berbera, Merca and Kismayu. Only Berbera and Kismayu could handle medium-sized vessels and Merca, an old banana port, simply had off-shore berthing.

Berbera is at the very north of the country and Kismayu down in the south; neither used to have any road links with the capital. This made for a very serious transport problem, which naturally hampered Somalia's development.

Mogadishu, the capital, did in fact have an old port built by the Italians during the colonial period, but the water was not very deep and vessels had to load and unload offshore.

Old Italian colonial officials still remember consignments coming ashore in baskets, in the manner common in Africa in the pre-1950 era when there were no intercontinental flights. So one of the first priorities of the Barre government was to build a deep-water port.

On 22 December 1977, Somalia and the EEC signed a financing agreement for the construction of the port. This



The port of Mogadishu, built with the EDF participation, has already reached full capacity and needs enlarging

was a 3rd EDF project co-financed by the EDF and IDA, the International Development Association:

| | |
|-------------------------|-----------------|
| — EDF grant | 12 088 196 u.a. |
| — IDA special loan | 14 424 196 u.a. |
| — national contribution | 2 285 714 u.a. |

Total 28 798 106 u.a.

The specifications were as follows:

- work began 18 March 1973;
- work completed 1 November 1977;
- study carried out by SOGREAH (Grenoble);
- port built by Impregilo SpA, Milan.

The following were provided:

- a 750 m breakwater;
- improvements to two 160 m wharfs 10 m deep;
- a 67 m cattle wharf 8.50 m deep;
- a 140 m banana quay 8.50 m deep;
- a platform, roadways, a parking area, etc.;
- three sheds (5 000 m²);
- administrative buildings for the police, the customs, health service, workshops, etc.;

It was also planned to purchase a tug.

The IDA and then the government financed successive extensions to these facilities—an extra 180 m breakwater and the third wharf 12 m deep. The total cost of the project was 34 300 000 EUA.

A two-part EDF-financed training scheme was run to help the state body in charge of managing the new port (SPA):

- training for pilots for the port;
- technical assistance with port management.

EDF financing was also provided for a special pilot boat.

Now, two and a half years after completion of the work, it is clear that the port of Mogadishu is one of the most successful of the EDF co-financed projects and the usefulness of this infrastructure scheme has been largely confirmed by the results obtained during the first two years of operation.

In 1979, traffic through the port was as follows:

| Imports (t) | | Exports (t) | |
|-------------|---------|-------------|--------|
| general | oil | general | oil |
| 375 000 | 217 000 | 46 000 | 61 000 |

The overall figure is therefore around 700 000 t, enough to show that the new port is crucial to the development of Mogadishu and of the country's trade.

This project has also had an undeniable social effect in that it has created a large number of jobs. ○ C.P.

Southern Africa: towards economic liberation

The heads of state and government of southern Africa met in Lusaka, Zambia, in April to discuss the ways and means of achieving economic independence in the region. The meeting was attended by delegates from Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe, as well as the occupied territory of Namibia.

At the end of their discussions they adopted a range of decisions in various fields of cooperation. The aim is to change the present system of total external dependence to one of economic independence. Below are extracts of the texts which were adopted:

"We state our commitment to pursue policies aimed at the economic liberation and integrated development of our national economies and we call on all concerned to assist us in this high endeavour.

Dependence in context

Southern Africa is dependent on the Republic of South Africa as a focus of transport and communications, an exporter of goods and services and as an importer of goods and cheap labour. This dependence is not a natural phenomenon nor is it simply the result of a free market economy.

The nine States and one occupied territory of Southern Africa (Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia(1), Swaziland, Tanzania, Zambia and Zimbabwe were, in varying degrees, deliberately incorporated—by metropolitan powers, colonial rulers and large corporations—into the colonial and sub-colonial structures centring in general on the Republic of South Africa.

The development of national economies as balanced units, let alone the welfare of the people of Southern Africa, played no part in the economic integration strategy. Not surprisingly, therefore, Southern Africa is frag-

mented, grossly exploited and subject to economic manipulation by outsiders. Future development must aim at the reduction of economic dependence not only on the Republic of South Africa, but also on any single external State or group of States.

Liberation: political and economic

While the struggle for genuine political independence has advanced and continues to advance, it is not yet complete. We, the majority-ruled States of Southern Africa, recognise our responsibilities, both as separate nation States and as a group of neighbouring majority-ruled African countries, to assist in achieving a successful culmination of our struggle.

Our urgent task now is to include economic liberation in our programmes and priorities. In the interest of the people of our countries, it is necessary to liberate our economies from their dependence on the Republic of South Africa to overcome the imposed economic fragmentation and to coordinate our efforts toward regional and national economic development. This will be as great for Namibia as it is for all the independent States of the region.

Southern Africa is a focal point of conflict. How can it be otherwise when a racist regime holds Namibia under military occupation, grossly exploits the people and the economies of the independent states and is a major barrier to our national development?

It is not the quest for liberation, but the entrenched racism, exploitation and oppression which is the cause of conflict in Southern Africa.

The power behind this is in large measure economic. Economic liberation is, therefore, as vital as political freedom.

We, the majority-ruled States of Southern Africa, do not envisage this regional economic coordination as exclusive. The initiative toward economic liberation has flowed from our experience of joint action for political liberation. We envisage regional coordination as open to all genuinely independent Southern African States.

In this spirit we call on Governments, international institutions and voluntary agencies to give priority to increasing financial resources to support Southern African efforts toward economic liberation and independent economic development.

This we believe is the route to genuine interdependence and represents the best hope for a just and cooperative future for the region as a whole.



From left to right: President Nyerere of Tanzania, President Kaunda of Zambia and President Machel of Mozambique, who attended the Lusaka summit. Other leaders who attended were Angolan President Dos Santos, Sir Seretse Khama of Botswana and Zimbabwean Premier Robert Mugabe

(1) Territory under illegal South African occupation.

Development objectives

The development objectives which we will pursue through coordinated action are:

1. the reduction of economic dependence, particularly, but not only, on the Republic of South Africa;
2. the forging of links to create a genuine and equitable regional integration;
3. the mobilisation of resources to promote the implementation of national, interstate and regional policies;
4. concerted action to secure international cooperation within the framework of our strategy for economic liberation.

Strategies and priorities

We will identify areas in which, working in harmony, we can gear national development to provide goods and services presently coming from the Republic of South Africa and weave a fabric of regional cooperation and development.

Key to this strategy is transport and communications

The dominance of the Republic of South Africa has been reinforced and strengthened by its transport system. Without the establishment of an adequate regional transport and communications system, other areas of cooperation become impractical. The economic liberation of Namibia, following its attainment of genuine political independence, will require the creation and operation of adequate transport and communication links with its natural partners to replace the artificial ones which currently bind it to the Republic of South Africa.

We will therefore create a Southern African Transport and Communications Commission to coordinate the use of existing systems and the planning and financing of additional regional facilities. The ports of Mozambique serve four States in the region and with the genuine independence of Zimbabwe can be developed to serve two more. Zambia uses transport facilities in five regional States. The development of Mozambican, Tanzanian and Angolan ports and the coordination of

facilities more effectively to meet requirements of the land-locked States are necessarily of regional concern. Transport and communications will be a major focus of regional action.

The coordination of transport facilities to meet the needs of land-locked States is crucial. With the attainment of genuine independence in Zimbabwe it is urgent to restore transport routes linking it to the Indian Ocean through Mozambique.

Additional areas in which coordinated action will be needed include major new projects such as a possible railway from Botswana through Namibia to the Atlantic Ocean, thereby creating an alternative route to the sea for Botswana, Zambia and Zimbabwe; the coordination of airline schedules so that movement within the region is practicable; the study of existing and proposed micro-wave and ground satellite facilities to identify how they can be interlinked, possibly through the Rift Valley Station. The Commission will be located in Maputo and serviced by a small technical unit. It will coordinate transport and communication links among participating States.

The Commission will seek participation of all genuinely independent States in the Southern African region. In addition, in many fields notably in transport, observer status will be open to Liberation Movements wishing to participate in anticipation of genuine independence. Similarly, in manpower development and research, the involvement of Liberation Movements is essential to amass the knowledge and train the personnel necessary once political liberation is achieved.

Regional coordination must be operational—it must result in concrete programmes and projects. This will require both domestic and external finance. Present estimates, for example, show that in excess of US \$ 1.5 billion will be needed to finance urgent transport and communications projects over the next decade.

We emphasize the importance of additional resources being made available to assist efforts to coordinate regional economic development projects. In the first instance, we intend to use the Regional Transport & Communications Commission to mobilise finance for urgent projects in priority sectors by holding ad hoc pledging sessions with existing bilateral and multilateral funding agencies. As economic cooperation develops, a Southern African Development Fund will be created and research to this end is being initiated. Its scope would be subsequently broadened and it might prove desirable to create a separate regional development bank.



TASS BELGA

Bridge-building in Angola

Communications are an important factor in the struggle for economic liberation



TASS BELGA

An Angolan worker
Technical training in all sectors is vital to development

We therefore urge the friends of Southern Africa to pledge financial support to this Fund.

Concerted actions

Regional cooperation in the field of transport and communications is seen as crucial to economic liberation and has therefore been given the greatest attention. In other sectors, similar programmes of concerted action are envisaged.

For trade development we recognise that many of us have existing bilateral and multilateral trade and customs arrangements. But even within these constraints we believe that there is room for substantial increases in trade among ourselves. To this end existing payment systems and customs instruments will be studied in order to build up a regional trade system based on bilaterally negotiated annual trade targets and product lists.

A majority of the people of Southern Africa are dependent on farming and animal husbandry. Their future livelihood is threatened by environmental degradation and in particular by desert encroachment as well as recurrent drought cycles. Even today few of the States of the region are self-sufficient in staple foods.

Both environmental protection and food security are major challenges both nationally and regionally. We, therefore, urge that the International Centre for Research on Agriculture in the Semi-Arid Tropics (ICRASAT) set up a South-

ern Africa Regional Centre in Botswana.

We further urge the development of the existing facilities in Botswana for production of foot and mouth disease vaccine to provide for the needs of all of the majority-ruled countries in Southern Africa. The spread of this disease currently threatens Angola, Botswana, Namibia, Zimbabwe, Swaziland and Mozambique. A coordinated approach to its control and elimination is urgently needed.

Likewise, we will undertake concerted projects in order to exploit natural resources, in particular those of common hydrological basins.

It is a matter of urgency to identify ways in which the coordination of research and training as well as the exchange of information can strengthen programmes to protect our environment and to increase food production. In the field of food security the possibility of the coordination of national reserve policies and the facilitation of interstate exchanges will receive priority attention.

We have decided to give special attention to the sharing of training and research facilities.

We have further decided to stimulate the exchange of information aimed at achieving a concerted policy in the fields of mining, industry, energy and agriculture. In particular, consultations among those States requiring petroleum products and electricity on the one hand and those with petroleum refining capacity and electricity surpluses of the other must be undertaken to achieve regional solutions.

The effort for economic development is an essential condition to free the Southern African States from the exploitative migrant labour system.

External cooperation

We are committed to a strategy of economic liberation. It is a strategy which we believe both needs and deserves international support. Southern African regional development must be designed and implemented by Southern Africans. It will, however, be achieved more rapidly and will be more effective if development takes place within the context of global cooperation.

International bodies and States outside Southern Africa are therefore invited to cooperate in implementing programmes towards economic liberation and development in the region.

This preliminary identification of aims, strategies and sectors illustrates both the magnitude of the task facing us and some of the broad areas within which outside assistance will be welcomed.

It is envisaged that Southern African Development Coordination meetings of member Southern African States and other invited participants should be held annually. This will provide a mechanism for surveying results, evaluating performance, identifying strengths and weaknesses and agreeing on future plans. Economic liberation and development in Southern Africa cannot be attained either easily or speedily. What is therefore needed is sustained cooperation.

We view this declaration as a statement of commitment and strategy. Under-development, exploitation, crisis and conflict in Southern Africa will be overcome through economic liberation. The welfare of the peoples of Southern Africa and the development of its economies requires coordinated regional action. It is our belief that in the interest of popular welfare, justice and peace, we in Southern Africa have the right to ask and to receive practical international cooperation in our struggle for reconstruction, development and genuine interdependence.

However, as with the struggle for political liberation, the fight for economic liberation is neither a mere slogan to prompt external assistance nor a course of action from which we can be deflected by external indifference. The dignity and welfare of the peoples of Southern Africa demand economic liberation and we will struggle toward that goal." ○

RWANDA

The people's cooperatives

One of the main obstacles to the intensification of Rwanda's agriculture and something preventing it from playing its part in the country's economic development is the marketing of produce. The way in which any surplus after the farmer has satisfied his own needs is now transferred considerably hampers the growth of productivity and production of family smallholdings.

With seasonal and geographical variations, the traditional trade circuit hives off a large part of the added value in agriculture and the authorities are now creating semi-state organizations in an attempt to even out seasonal price fluctuations and encourage inter-regional trade. But these national schemes are too isolated from the rural environment and fail to do anything about the general situation.

The farmer, handicapped by poor bargaining power when it comes to raising the price of his produce, is not always keen to help the country's agriculture as he should, by producing the surplus⁽¹⁾ that is vital if economic development is to get off the ground.

An original development scheme

A development scheme has been run⁽²⁾ in the Kibungo district to handle these problems of agricultural production and marketing.

Proper participation in a lasting development scheme clearly involved more than simply promoting and popularizing the sort of modern techniques that would push up income. Quite the contrary. What needed to be done was to help the people define their needs and get them to choose how they themselves would modernize in the light of their own means and values. As it is a fairly complex process, this way of approaching a development scheme does not guarantee immediate results.

(1) Defined as the food produced beyond the needs of the local community.

(2) By the International Rural Development Association.

What it does aim to do is to get the population to take its own problems in hand.

When the scheme first began, the central project leaders and the delegates from the hill communities came up against two fundamental obstacles—the precariousness of agricultural production and the problem of marketing.

On the production side, it was decided to concentrate on crops that were good economic propositions (groundnuts, fetching about RF 20 000 per ha) rather than on obtaining a surplus of the sort of produce (beans, for example, fetching RF 5 000 per ha) that was not really profitable. Agricultural techniques suitable for the rural areas were also tested as part of the production drive and a range of hand tools were presented.

On the marketing side, an organization was set up for each hill or group of hills, with the job of installing facilities, obtaining materials and taking the necessary steps to sell produce on a joint basis.

Positive effects were soon apparent as more land was brought under culti-

vation and the yield of some crops increased. But at the same time, the scheme produced a split among the peasant farmers. A small minority involved in the scheme and organized around the leaders in the hill communities (the link between the farmers and the central team) dominated the operation and reaped the benefits. But the vast majority remained passive.

Although the leader was a delegate chosen by the group, he remained the voice of the outside world because, by virtue of his position, he was competing with other people of influence in the community.

So the development scheme was redefined and more closely tied up with the regional and community structures. Cooperatives were formed gradually as a community spirit emerged among the farmers and the cooperative movement was the genuine expression of a desire for development on the part of the local people.

Promising results

Over the last few years, 20% of the population has been involved in the cooperative movement and, although cooperatives have not been set up in every district, they market half the coffee produced in the Kibungo area. And they market groundnuts and beans as well. Up in the hills, the cooperatives have popularized certain crops (the



The interest and commitment of the peasant farmers can only be ensured if they take part in setting up the cooperatives

Fatui variety of groundnut, pimentoes), introduced new ones (young banana plants and manioc) and improved the quality and yield of coffee. They also popularize new agricultural methods and supply inputs.

However, their positive effects have been limited by problems of organization and participation which prevent the cooperatives from becoming an efficient—and competitive—alternative. In addition to these internal problems, there is a latent danger of sapping initiative and thus endangering the life of the cooperative. By taking measures to integrate the cooperative movement into its administrative structure, the state is simply taking the place of traditional trade and it is anxious to get a better control of trade margins to help pay for its own aims. The cooperatives are in danger of becoming a clearing house between the farmers and the national bodies, which would mean they would lose their purpose as a means of general development.

Who joins the cooperatives?

A survey(3) of four districts (communes) in which the cooperative movement is represented in the Kibungo area has attempted to come up with an answer to this question. Cooperative members appear to make greater use of their agricultural resources (both land and livestock) than do non-members.

The cooperative member will have more coffee bushes, as a rule, a larger banana plantation and bigger herds of cattle and goats.

The survey also revealed that the average expenditure of members was RF 30 000 p.a., while non-members only spent RF 17 000.

Traditional society and the cooperatives

The cooperative movement has benefited from a traditional social structure that was conducive to its expansion. The fact that the rural people live in scattered, isolated houses and have their own society meant that the cooperative movement was not competing with any very elaborate form of organization.

But this traditional structure, with its typical individual smallholdings, restricted the impact of the cooperative movement on part of the rural population. Project leaders in the hills enjoyed the benefits of the contact involved in their activity without passing them on to the groups they were supposed to be representing. The scope of the movement was limited by the adoption of a certain development strategy whereby



A local market in Rwanda

| Resources | Average | |
|-----------------|---------------------|-------------|
| | cooperative members | non-members |
| Total area (ha) | 259 | 201 |
| Bananas (ha) | 105 | 69 |
| Groundnuts (ha) | 16 | 11 |
| Food crops (ha) | 105 | 92 |
| Coffee bushes | 152 | 83 |
| Cows | 1.2 | 0.5 |
| Goats | 2.4 | 1.5 |

the project leaders were chosen by people from their area. People in the hills only voted for someone with any social influence to the extent that they wanted to overcome the obstacles to better standards of living with outside help.

As the survey showed, the cooperative movement has in fact helped split the rural community into two groups, with quite different agricultural resources and financial outlays.

This situation is likely to be aggravated by the cumulative effect of the cooperative on the group (the situation is already an extraverted one), unless a new development strategy can be devised to encourage some producers to go back to the cooperative movement. What strategy?

Over the last few years, the cooperative movement has slowed down, membership has tailed off and there has been a lack of genuine participation in cooperative life. This is not due to the odd way in which the movement has spread, as there seems to be no correlation between membership and the distance between cooperative and farm.

On the other hand, there is a strong correlation between financial outlay and the amount of land used to produce food. The cooperatives should therefore organize the marketing of food. Furthermore, since the cooperatives take part in the overall development of the region, they do not need to provide financial backing for every scheme. A national institution could provide various joint services and guarantee the autonomy of the cooperatives by ensuring that there is healthy competition between the different methods of marketing.

A seminar on the Rwandan example of the role of the cooperatives in community development will be run in Kigali on 19-28 July 1980, organized by the Association Internationale de Développement et Action Communautaires(4).

Bruno HENRY DE FRAHAN

(3) Carried out in September and October 1978 in the communes of Kigarama, Kabarondo, Kayanza and Sake. Census sample: 3.6%.

(4) AIDAC: 179, rue du Débarcadère, 6001 Marcinelle - Belgium.

The Stabex system in Lomé II^(*)

Hailed as a major innovation in international economic relations, the system for the stabilization of export earnings introduced by the Lomé Convention, generally referred to as "Stabex", has fulfilled the role assigned to it very successfully.

Although the work relating to the fourth year of application is not yet complete, 34 ACP states have received 82 transfers, totalling almost 280 million EUA, under Stabex for losses incurred on exports of 22 out of 33 products currently covered.

Of the transfers made, 43% have come under the heading of "unemployment insurance", whereby the ACP states are protected against a fall in their earnings due to an adverse economic climate, and 53% have been "sickness insurance", i.e. compensation for losses due to local circumstances. Loans have accounted for 42% of transfers while 58% have taken the form of grants to the least developed ACP states, which are also the most vulnerable to both adverse economic circumstances and local accidents. Lastly, the use made of the system has confirmed that, as far as the products covered are concerned, the bulk of the fluctuations in earnings are due much more to variations in the volume of exports than to price movements.

The facts therefore contradict the scepticism shown by some and the fears expressed by others at the outset of this undertaking: it is indeed possible to apply a partial remedy to the short-term difficulties of producers and states without affecting the free play of market forces, without creating obstacles to international trade and without compromising the functioning of existing world commodity agreements or the conclusion of new agreements.

Gradually, other countries and organizations have followed the Com-

munity along this path by attempting, up to now with varying degrees of success, to apply the Stabex model on a larger scale with an increased number of countries and a wider product range. While these projects get under way, the Community has been pursuing and extending its efforts to negotiate the new ACP-EEC Convention.

These efforts have meant working in liaison with the ACP states to consolidate and improve the present system to take account, as far as possible, of the ACP states' requests and the lessons drawn from experience.

Consolidation

Consolidation does not necessarily mean a straightforward or literal transcription of the provisions of the Lomé Convention, since the same things can be said differently to achieve greater clarity.

1) From the viewpoint of **presentation**, it will be seen that the new provisions go into greater detail and are more clearly set out. This applies in particular to:

a) the **list of products**, which is no longer presented in the form of product headings accompanied, where appropriate, by subheadings but as a list of 44 products identified by their Nimex code. For statistical reasons, oil-cake, which at present appears under the primary product from which it is derived, and certain essential oils are included in separate headings;

b) the **financial provisions**, which are the subject of articles (STAB 10 to 13);

c) the **special provisions in favour of the least developed ACP states and the landlocked or island ACP states**; these are set out in specific articles (STAB 24 and 25).

2) **The largely automatic nature of the system** remains unchanged. Although this feature is not referred to expressly, it underlies the whole system, which departs from it on only four points:

— the statistical bases of the system which, for each transfer, may be obtained either by cross-checking the

statistics or established automatically by multiplying the unit values for the exports of the ACP state in question by the quantities imported by the Community—the choice of technique being left to the ACP state concerned (STAB 8(2) and (3));

— the consultations that take place in the event of significant changes in the trend of exports to all destinations and of production of the product affected by a drop in export earnings (STAB 17(3));

— the consultations that are held for the same reasons concerning the contribution to the replenishment of the resources of the system (STAB 21(5));

— the allowance that is made for the special difficulties of the least developed ACP states should it be necessary to reduce the amount of transfers because sufficient funds are not available (STAB 24(2)).

3) The provisions governing the following points **have been taken over from the Lomé Convention** and from ACP-CEE Council of Minister's decisions, where necessary with some minor changes in the wording:

— certification of the origin of products (STAB 6),

— the customs status of the exports eligible under the system (STAB 8(1)),

— the inadmissibility of requests if presented after the deadline of 31 March of the year following the year of application and if the fall in export earnings is the result of trade policy "adversely affecting exports to the Community in particular" (STAB 16(1)),

— the conditions governing the payment of the transfer and, in particular, the possibility of the payment of advances (STAB 18),

— the measures to be taken in the event of incomplete replenishment on expiry of the seven-year period set for that purpose (STAB 22),

— the administrative cooperation between the ACP states and the Commission,

— the "all destinations" geographical cover for a number of the least developed ACP states (STAB 24(3)); the ACP states in question are listed in a joint declaration which also states that in granting the all-destinations guarantee—a major derogation from the principle whereby the Convention covers only relations between the contracting parties—"the Council of Ministers has always based its decision on whether the bulk of the export flows in question is traditionally to destinations other than the Community".

(*) A full statistical summary of operations under the first Stabex fund will be published in the next issue of the *Courier* when accounts for 1979 are closed. Statistics in this article, explaining how Stabex works, have been updated in "News Round-up".

The improvements

In addition to consolidation, the purpose of which was to safeguard what had been achieved by the Lomé Convention, the negotiations enabled the contracting parties to make improvements to the system to take account of certain wishes expressed by the ACP states and the experience gained in four years of operating the system.

A. The improvements resulting from requests by the ACP states

1) The following are added to the list of products: cashew nuts, pepper, shrimps and prawns, squid, cotton seeds, rubber, peas, and lentils; these are products which, in certain cases, account for a substantial proportion of ACP states' exports.

It is true, however, that with the exception of rubber the products added can be described as minor, although this description is in no way a value judgement. It merely reflects the fact that if one leaves aside the products covered by the common agricultural policy, which face the Community with considerable economic problems and considerations of principle, and products processed beyond a certain stage, the difficulties facing which can be resolved more easily by facilitating their market penetration than by stabilizing their export earnings, and also leaving aside minerals, which are covered by other provisions⁽¹⁾, virtually all the products which the ACP states export to the Community in economically significant quantities are already covered and the scope for adding new products has steadily decreased over the years.

However, not only does the possibility of getting additional products added continue to exist but the procedure has been eased at the request of the ACP states, and the Council of Ministers must now decide whether or not to include a new product not later than six months after the presentation of a request (STAB 4).

It is within this framework that the question of unmanufactured tobacco and sisal products will be examined. The Community has undertaken to examine the possibility of including unmanufactured tobacco within the limits of a quantitative ceiling for exports to the Community, to be fixed at the

current level, provided that this arrangement does not disturb the Community tobacco market.

As regards sisal products, the situation will be re-examined in the light of the results of the discussions between producers and consumers.

2) Choosing between the individual product approach and the product family approach

Given that the purpose of the system is to remedy the difficulties experienced by the producers of each of the products covered (groundnut planters, oil mills, forestry undertakings, saw mills, etc.), the text of the Lomé Convention is unclear about the crossing of the dependence threshold since it stipulates that the dependence of total export earnings is to be assessed with regard to the "product or products", and is inconsistent since it stipulates very clearly that the transfer is calculated for each individual product.

At their request, the ACP states will in future have the choice, for each transfer request, between an individual product approach and a product family approach in the following cases: groundnut products, cocoa products, coffee products, cotton products, coconut products, palm and palm nut products, wood products, and hides, skins and leather.

The choice made by the ACP states will apply to all components of the system including the dependence threshold, the reference period, the fluctuation threshold, the consultations, the calculation of the transfer and the replenishment of the system's resources (STAB 3 (3)).

3) The cover for trade between ACP states

Trade between ACP states is bound to increase in scale, particularly under the impetus of the trade promotion operations financed by the Community. It was therefore logical that the ACP states should request Stabex cover for trade among themselves. Nevertheless, the problems—mainly, though not exclusively, of a customs and statistical nature—are such that a decision to include trade between ACP states can be taken only on a case-by-case basis after a thorough appraisal of each dossier. This is what is laid down in the new Convention, which gives the Council of Ministers the possibility of deciding to apply the system to trade between ACP states on the basis of a report drawn up by the Commission after an appraisal carried out jointly with the requesting ACP state or states (STAB 5).

4) The **threshold** for the dependence of total export earnings on each product or product family and for the fluctuation of actual earnings in relation to the reference level have been reduced from 7.5% to 6.5%, which should help to increase slightly the scope for use of the system.

5) The **funding** of the system has been increased by 45%, from 380 million EUA to 550 million EUA (STAB 9), in order to take into account:

- the lowering of the thresholds,
- the increase in the number of products covered,
- the possibility of covering trade between ACP states,
- the fact that, under the present arrangements, transfers to a number of ACP states are financed from the OCT appropriation,
- a greater flexibility in the conditions governing contributions towards the replenishment of the resources of the system.

6) A "short" **reference period** has been introduced to enable the system to come into play when an ACP state starts processing a product traditionally exported in the raw state or begins exporting a product which it did not traditionally produce (STAB 14 (3)).

7) A standard 1% is added to the difference between the reference level and actual earnings to take account of statistical errors and omissions (STAB 17 (2)).

8) **Special advantages for the least developed, landlocked and island ACP states.** The already numerous advantages offered these countries are further increased as a result of the reduction of the dependence and fluctuation thresholds from 2.5% to 2.0% (STAB 24 and 25).

Despite the above changes, negotiations are an exercise where, by definition, no party can expect to win acceptance for all its views. Accordingly, a number of the ACP states' requests could not be met. This was the case with a number of products, most of which, admittedly, were not of sufficient economic importance to enable them to meet the dependence threshold. The same applied to tourism, which as a source of invisible earnings is a special case.

Nor could the Community agree to the calculation of transfers in real terms, since any attempt to resolve certain aspects of the inflation problem in a limited geographical area would run the risk of seriously disturbing economic relations both within the area and between it and the outside world.

⁽¹⁾ With the exception of iron ore from sites being worked at the time the new Convention is signed, which will come under the Stabex provisions for the first five years, and subsequently under the arrangements governing the other minerals covered by the Convention.

Lastly, it was established that the ACP states' desire to participate more actively in the implementation of the system was largely the result of a misunderstanding, since the Commission and each of the requesting states are in contact throughout each of the successive phases of the operations.

B. The improvements resulting from the experience gained in the management of the Lomé Convention system.

1) Clarification of the objectives of the system and establishment of a link between these objectives and the use of the transfers.

The objectives of the system are clearer than in the Lomé Convention text since reference is made to support for the development efforts of the ACP states, to economic and social progress for their peoples and to safeguarding their purchasing power (STAB 1 (1)).

It is also specified that the transfers must be devoted to maintaining financial flows to the sector that has lost markets or production or to operations aiming at economic diversification (STAB 1 (2)).

The ACP states have undertaken to comply with these objectives in using the transfers and to inform the Commission, before the signing of each transfer agreement, of their intentions as to the use of the transfers (STAB 19), but, as stated in a joint declaration, the actual payment of the transfer cannot be made subject to the information thus supplied.

In this way the awkward problem of reconciling the freedom to use transfers as is thought fit with the optimum utilization of public funds is resolved, a problem highlighted by the emotional reaction of certain parliamentary circles and a section of the press to certain transfers being put to a use that was considered to be out of keeping with the spirit of the system.

To a large extent, the facts did not justify such a strong reaction. However, since the taxpayers' money is involved and we are going through a crisis, when it is more necessary than ever to ensure that public funds are used in the most effective way possible, it was wise to make things clear and dispel any doubt.

Another problem that has been resolved is the possible duplication of effort by Stabex and the compensatory financing facility of the International Monetary Fund (IMF). This facility provides assistance towards the balance of payments of countries exporting raw

materials that have suffered a loss in earnings. Although the facility differs considerably from Stabex in its spirit, objectives and operating conditions, it has sometimes been maintained that there is some rivalry or competition between the two systems and that ways must be found of avoiding any double compensation (2).

However, while it is only right to avoid double compensation when the injury and the remedy are of the same nature, it is altogether inappropriate to call attention to this problem when it does not arise.

Given the profound differences between the two systems, it did not come up under the Lomé Convention and, with the new definition of the objectives and the establishment of a link between those objectives and the use of transfers, the specific nature of Stabex is so apparent that one cannot be tempted to try to juxtapose or superimpose the two systems.

2) Limitation of the compensation for losses of earnings derived from exports to all destinations.

A basic rule has emerged from the implementation of Stabex, namely that compensation under the heading of export earnings stabilization may not exceed the loss suffered by the country in respect of its exports to all destinations.

It has been the intention of the contracting parties to reserve the most favourable treatment for those states that are given a guarantee covering their exports to all destinations for particularly well-founded reasons—namely, exports going traditionally to countries other than the Community and membership of the group of least developed ACP states.

On the other hand, it goes without saying that no ACP state apart from those states covered by the derogation referred to in article 17 (4) of the Lomé Convention may receive compensation in excess of that which it would receive if it was itself covered by that derogation.

This argument based on legal practice and equity is supplemented by another derived from the fact that a state which has channelled its exports to destinations other than the Community, and has done so under normal economic circumstances, may not have suffered any loss overall, even though

(2) On this question, a joint declaration provides for consultations between the Community and the ACP states should a system comparable to Stabex be established at world level, precisely so as to avoid any double compensation.

its earnings from the Community may have diminished.

As a result, the Commission has always adhered to the principle of restricting compensation to the loss suffered in respect of all destinations and has rejected requests when there was no such loss.

This practice is now embodied in the new Convention, which includes this situation as one of the cases where requests are inadmissible (STAB 16 (2)).

3) Provisions governing the contribution towards the replenishment of the resources of the system.

It is here that the most substantial changes compared with the Lomé Convention are to be found. The main reason for these changes is that it was found in one case that the original mechanism could have consequences that were not in keeping with the spirit of the system since it might make excessive inroads into the public finances of the recipient country.

To summarize, the new Convention makes provision for repayments to be phased over a seven-year period with a two-year grace period, the purpose being to prevent repayment from having to be made in full in the first "good" year.

A good year is deemed to occur when, apart from the existing conditions relating to unit value and quantity being fulfilled, actual earnings are equivalent to at least 106.5% of the average of earnings from exports to the EEC over the four years prior to the preceding year.

An example may help to make this complex system somewhat clearer.

Suppose that in year T an ACP state has received a transfer for the year of application T-1 equivalent to the difference between the reference level corresponding to the average for years T-5 to T-2 and the actual earnings during T-1. Suppose that this reference level is 10 000, obtained by multiplying a unit value of 100 by a quantity of 100, and that the transfer amounted to 1 000.

At the beginning of year T + 1, the Commission determines, using the statistical bases adopted for the calculation of the transfer, whether for year T:

— the unit value of the exports of the product in question to the Community is greater than the average unit value during the years T-4 to T-1;

— the quantity of the same product actually exported to the Community is

at least equal to the average of the quantities exported to the Community during years T-4 to T-1;

— the actual earnings from exports to the Community amount, for the product in question, to at least 106.5% of the earnings from exports to the EEC during years T-4 to T-1.

If all these conditions are fulfilled at the same time, the ACP state pays back into the system an amount equal to the difference between the actual earnings for year T and the average of earnings from exports to the EEC during the period T-4 to T-1, although the payment may not exceed 1 000.

Suppose the surplus thus calculated for year T was 1 100, the ACP state is then obliged to pay back into the system 1 000. The years T+1 and T+2 constitute the two-year grace period during which no repayment is made. The actual repayments will be 200 in year T+3, 200 in year T+4, 200 in year T+5, 200 in year T+6 and 200 in year T+7.

Now let us suppose that the surplus for year T is only 500. The state in question will then repay — following T+1

and T+2, the two-year grace period — 100 in year T+3, 100 in year T+4, 100 in year T+5, 100 in year T+6 and 100 in year T+7.

Since 500 of the transfer still remains to be repaid, the Commission determines at the beginning of year T+2 whether the three conditions are fulfilled for year T+1 in relation to the period T-3 to T. If they are not fulfilled, the same operations are carried out at the beginning of year T+3 for year T+2 in relation to the period T-2 to T+1, which reveals a surplus of 500. Years T+3 and T+4 constitute the two-year grace period and the state will repay 100 in year T+5, 100 in year T+6 and 100 in year T+7. If the checks carried out at the beginning of years T+4, T+5, T+6 and T+7 reveal that the conditions are fulfilled, there will remain, upon the expiry of the period T+7, a balance due of 200 and the Council of Ministers will have to decide, in the light of various criteria, whether this amount should be repaid in full or in part, immediately or over a period, or else written off.

This, then, is an extremely simplified account of the new mechanism for

replenishment of the resources of the system. Particular note should be taken of the following generous features:

- the establishment of a threshold of 106.5%,
- a two-year grace period,
- the phased repayment in one-fifths.

Nor should we forget the exemption from interest and the innovation contained in a joint declaration providing for the possibility of repaying all or part of the amounts owing to the system in national currency.

Thus consolidated and improved at the end of the negotiations, and with its specific purpose confirmed and clarified, Stabex can now be seen, more so than in the Lomé Convention, as an instrument that can back up the economic and social development of sectors of production vital to the peoples and economies of the ACP states by covering any financial shortfalls resulting from losses of markets or productions. ○ J.-C. MULLER(*)

(*) Head of the "stabilization of export receipts" division at the EEC Commission.

System of stabilization of export earnings (Stabex)

Innovations and major changes in the new ACP-EEC Convention (Lomé II) compared with Lomé I

| Subject | Provisions in the new Convention | Legal basis | N.B.: provisions Lomé I |
|---|--|----------------------------|--|
| 1. Innovations and major changes with respect to the political options of the system | | | |
| 1.1 Aims | The aims have been clarified. Stabex shall support the development efforts of the ACP states and enable them in this way to ensure economic and social progress for their peoples. | art. 23 § 1 | art. 16 |
| 1.2 Use | The recipient ACP state shall decide how the resources will be used, subject to compliance with the objectives. | art. 41 § 1 | The recipients ACP state decides how the resources will be used; no link to aims (art. 20) |
| | In order to attain these objectives, transfers must be devoted to maintaining financial flows in the sector in question or, for the purpose of promoting diversification, directed towards other appropriate sectors and used for economic and social development. | art. 23 § 2 | Nothing |
| | During appraisal of the dossier, and in any case before the transfer agreement is signed, the requesting ACP state shall give the Commission some indication of the probable use to which the transfer will be put. | art. 41 § 2 | Nothing |
| | However, the implementation of the transfer shall not be made conditional on the indication of probable use. | ACP/EEC common declaration | Nothing |

| Subject | Provisions in the new Convention | Legal basis | N.B.: provisions Lomé I |
|---|---|---------------------------------------|--|
| 1.3 Products covered | The following products have been added to the list of products under Lomé I(1): essential oils of cloves, of niaouli and of ylang-ylang(2); cashew nuts and kernels; pepper, shrimps and prawns; squid; cotton seeds; oil-cake(3); rubber, peas; beans; lentils. | art. 25 § 1 | Groundnuts, groundnut oil, groundnut oil-cake, cocoa beans, cocoa paste, cocoa butter, raw or roasted coffee, extracts, essences or concentrates of coffee, cotton, cotton linters, coconuts, copra, coconut oil, coconut oilcake, palm oil, palm nut and kernel oil, palm nut and kernel oil-cake, palm nuts and kernels, raw hides and skins, bovine cattle leather, sheep and lamb skin leather, goat and kid skin leather, wood in the rough, wood roughly squared, wood sawn lengthwise, fresh bananas, tea, raw sisal, iron ore(4), vanilla, cloves, pyrethrum, ylang-ylang, arabic gum, wool, mohair, sesame seeds(1) (art. 17 § 1) |
| | With regard to tobacco, citrus fruits and sisal products, the inclusion of these products will be examined in the course of implementation of the new Convention. | Declarations of the Community | |
| 1.4 Products groups | Upon presentation of each transfer request, the ACP state may choose between a strictly "product by product" approach and an approach which allows for product groups, by taking the raw material and the processed products together (e.g. groundnuts and groundnut oil, or wood in the rough and wood roughly squared and wood sawn lengthwise, etc.). | art. 25 § 3 | Approach by groups not provided; ambiguity in art. 17 § 2 |
| | The chosen form remains valid for all operations which apply to the particular case; e.g. for passing the thresholds, the calculation of the amount to be replenished, etc. | art. 25 § 3 | |
| 1.5 Covered exports | If so requested by an ACP state, the ACP-EEC Council of Ministers may decide upon the application of the system to exports of a product covered by the list from the requesting ACP state to other ACP states. | art. 27 | Nothing |
| 1.6 Thresholds | Dependence threshold: — 6.5 % in the normal case(1) — 2 % for least developed countries — 2 % for land-locked and insular countries | art. 29 art. 46 § 1 art. 47 § 1 | 7.5 % (art. 17 § 2) 2.5 % (art. 17 § 2) 2.5 % (art. 17 § 2) |
| | Threshold of fluctuation: — 6.5 % in the normal case — 2 % for least developed countries — 2 % for land-locked and insular countries | art. 37 art. 46 § 1 art. 47 § 1 | 7.5 % (art. 19 § 2) 2.5 % (art. 19 § 2) 2.5 % (art. 19 § 2) |
| 1.7 Relation to other compensating systems | The contracting parties agree to concert action in order to avoid any double compensation in the event of a world system for the stabilization of export earnings being established. | ACP/EEC common declaration | Nothing |
| 2. Major changes referring to the financial provisions of the system | | | |
| 2.1 Funding | 550 million EUA for the duration of the new Convention. | art. 31 | 375 mEUA (art. 18 § 1) + 5 mEUA for 3 ACP states having adhered to the Convention |
| 2.2 Replenishment of the resources | | | |
| 2.2.1 Third condition | A third condition to trigger off the replenishment has been added to the two already existing in the Lomé Convention: the earnings for the year and the product in question have to amount to at least 106,5% of the average of earnings during the reference period(1) (threshold of fluctuation reversed); the three conditions must be fulfilled simultaneously. | art. 43 § 2 a, b art. 43 § 2 c | Two conditions: — the unit value of the exports is higher than the reference unit value; — the quantity actually exported to the Community is at least equal to the reference quantity (art. 21 § 3). |
| 2.2.2 New formula | The amount to be made available to the system is equal to the difference between the actual earnings and the average of earnings during the four years prior to the year under consideration. | art. 43 § 1 art. 43 § 3 | The amount is equal to the reference quantity multiplied by the difference between the reference unit value and the actual unit value (art. 21 § 3). |

| Subject | Provisions in the new Convention | Legal basis | N.B.: provisions Lomé I |
|---|--|--|---|
| 2.2.3 Consultations | Should the examination of the trend of export to all destinations and of production of the product in question as well as of demand reveal significant changes, consultations shall be held between the Commission and the ACP state concerned in order to establish whether these changes are such as to justify a contribution to the replenishment and if so, to what extent. | art. 43 § 5 | Nothing |
| 2.2.4 Period of observation | At the beginning of each year during the period of seven years following the years in which the transfer was paid, the Commission examines if the conditions for replenishment are fulfilled. | art. 42 art. 43 § 2 | Period of five years following the allocation of the transfer, without clarification (art. 21 § 2). |
| 2.2.5 Period of replenishment | The amount shall be made available to the system at the rate of one fifth per year after a period of deferment of two years beginning in the year during which the obligation of replenishment was establishment. | art. 43 § 4 | Period of five years following the allocation of the transfer, without deferment (art. 21 § 2). |
| 2.2.6 Replenishment in currency of the ACP states | If the ACP state requires, the Commission will examine with it the possibility of replenishment in local currency of all or part of the amounts owing to the system. | ACP/EEC common declaration | Nothing |
| 3. Innovations and major changes with respect to implementation and administration of the system | | | |
| 3.1 Inclusion of a new product in the list | If the inclusion of a new product into the list is requested, the Council of Ministers shall decide on this request not later than six months after the presentation of the request. | art. 26 | Nothing. |
| 3.2 Cross-checking | When submitting the transfer request for each product, the ACP state shall choose if the statistics used to implement its request shall be those cross-checked in accordance with the procedure of the Lomé Convention or those obtained by multiplying the unit values of the exports of the ACP state by the quantities imported by the Community. | art. 30 § 2 et 3 | Cross-checking of statistics of the ACP state and of the Community, account being taken of the fob values (art. 17 § 1). |
| 3.3 Statistical errors and omissions | In order to take account of statistical errors and omissions, the basis of transfer will be increased by 1 % of this figure. | art. 39 § 2 | Nothing |
| 3.4 "Short" period of reference | Where an ACP state starts processing a product traditionally exported in the raw state or begins exporting a product which it did not traditionally produce, the system may be based on a reference period of three years. | art. 36 § 3 | Nothing |
| 3.5 Inadmissible requests | Apart from the reason for an inadmissible request provided by the Lomé Convention, two other reasons rendering a request inadmissible have been made explicit: if the request is presented after 31 March of the year following the year of application and if it emerges from the dossier, after consultations, that the requesting ACP state has recorded an excess in export earnings of the product in question to all destinations. | art. 38 § 1b art. 38 § 1 a art. 38 § 2 | The request shall not be admissible if examination of the request, to be undertaken by the Commission in conjunction with the ACP state concerned, shows that the fall in earnings from exports to the Community of the products in question is the result of a trade policy measure of the ACP state concerned adversely affecting exports to the Community in particular (art. 19 § 4 a). The first of the two other reasons (deadline) results from a decision of the ACP/EEC Committee of Ambassadors, the other one from the logic of art. 17 § 4. |
| 3.6 Interpretation of inadmissible requests | The provisions on inadmissible requests shall be applied in the most favourable way possible in order to take account of particular situations which could occur. | ACP/EEC common declaration | Nothing |
| 3.7 Consultations | It has been made clear that the significant changes requiring consultations on the amount to be transferred do not refer solely to the trend of the requesting ACP state's exports to all destinations, but also to the production of the product in question and its level of demand in the Community. | art. 39 § 3 | Consultations are triggered by significant changes in the trend of total exports of the ACP state (art. 19 § 4 b). |
| 3.8 Definition of available financial resources | In order to contribute to the clarity of the system, the resources available for each year of application have been defined. They are made up of the sum of the following elements: — the annual instalment, possibly reduced by an advance drawing of a maximum of 20 % in the preceding year, — any amount not used in the preceding years and carried forward to the next year's instalment, — the amounts contributed to the replenishment of the system, — any amount drawn in advance of the next year's instalment. | art. 33 | Nothing |

| Subject | Lomé II | Lomé I |
|---|--|--|
| 4. N.B.: provisions slightly modified or unchanged | | |
| 4.1 Limitation of the system to ACP states and their exports to the EEC | art. 23 § 1 | art. 16 |
| 4.2 Extent and listing of least developed, landlocked and insular ACP states | art. 155 § 3 a art. 155 § 3 b and c | art. 24 art. 48 § 2 |
| 4.3 Preference for some least developed ACP states with regard to the application of the system to exports of a product to all destinations Listing of these ACP states | art. 46 § 3 ACP/EEC common declar. | art. 17 § 4 ACP/EEC common declar. |
| 4.4 Financial provisions — Division of the total funding into five equal annual instalments — Automatic carry forward of remaining balances at the end of each year — In case of insufficiency of funds • authorization to use in advance a maximum of 20% of the following year's instalment • reduction of the transfers to be made on the basis of a decision of the ACP-EEC Council of Ministers | art. 32 § 1 art. 32 § 2 art. 34 art. 34 | art. 18 § 2 art. 18 § 3 art. 18 § 2 art. 18 § 4 |
| 4.5 Principle of the replenishment of the resources made available for the system | art. 42 | art. 21 § 1 |
| 4.6 Decision of the ACP-EEC Council of Ministers concerning — the allocation of any balance remaining of the funding after the expiry of the Convention — the amounts not yet fully replenished after the observation period of seven years | art. 35 art. 44 | art. 18 § 5 art. 21 § 4 |
| 4.7 Upon decision of the ACP-EEC Council of Ministers: possibility of including new products in the list and the criteria to be applied in this case | art. 26 | art. 17 § 3 |
| 4.8 Management by the Commission | art. 31 | art. 18 § 1 |
| 4.9 Statistical and customs cooperation, practical measures in this field | art. 45 | art. 23 |
| 4.10 Certificate of origin | art. 28 | art. 17 § 5 |
| 4.11 Definition of definitive import into the EEC | art. 30 § 1 | art. 17 § 1 |
| 4.12 Transfer request examined by the Commission in conjunction with the ACP state concerned | art. 39 § 1 | art. 19 § 4 a |
| 4.13 Calculation of the transfer — formula for the dependence threshold — formula for the fluctuation threshold — formula for the reference level | art. 29 art. 37 art. 36 § 2 | art. 17 § 2 art. 19 § 2 art. 19 § 1 |
| 4.14 Transfer decision drawn up by the Commission; transfer agreement | art. 40 § 1 and 2 | art. 19 § 5 and art. 22 |
| 4.15 Rapid transfers; payment of advances | art. 40 § 3 | art. 19 § 6 |
| 4.16 Transfers shall bear no interest | art. 40 § 4 | art. 21 § 1 |
| 4.17 Report of use within 12 months following signature of the transfer agreement | art. 41 § 3 | art. 20 |
| <p>(1) In this context, it might be recalled that the inclusion of sesame seed was decided by the ACP-EEC Council of Ministers at Freeport, March 1979.</p> <p>(2) This new and larger product package replaces the product "ylang-ylang", the inclusion of which was decided by the ACP-EEC Council of Ministers in Fiji, April 1977.</p> <p>(3) This global position includes and replaces the oilcakes already included in Lomé I: groundnut oilcake; coconut oilcake; palm nut and kernel oilcake.</p> <p>(4) As far as iron ore is concerned, exports of iron ores from sites being worked when this Convention is signed shall continue to be covered by Stabex for a period limited to the first five financial years of this system. All other exports of iron ore will fall under the application of the provisions regarding project and programme aids for mineral products. Upon expiry of that period, iron ore shall be wholly covered by the latter system.</p> <p>(1) The threshold of 5% for raw sisal has been maintained.</p> <p>(1) Art. 43 § 2 and 3 make clear that the reference period of replenishment is too a moving average of 4 years.</p> | | |

Women in the European Parliament

(as of June 1980)

| Political group | Number of seats | Number of women | % of total |
|--|-----------------|-----------------|------------|
| Socialist Group | 113 | 24 | 21.2% |
| Group of the European People's Party | 107 | 10 | 9.3% |
| European Democratic Group | 64 | 6 | 9.4% |
| Communist and Allies Group | 44 | 10 | 22.7% |
| Liberal and Democratic Group | 40 | 7 | 17.5% |
| Group of European Progressive Democrats | 22 | 5 | 22.7% |
| Group for the Technical Coordination and Defence of Independent Groups and Members | 11 | 4 | 36.4% |
| Non-attached | 9 | 2 | 22.2% |
| Total | 410 | 68 (1) | 16.6% |

A series on the women members of the European Parliament began in the last issue of the *Courier* with the biggest group in the Parliament, the Socialist group, and now continues with the second biggest, the Euro-

pean People's Party group (EPP). A special interview is included with Louise Weiss of the European Progressive Democrats (EDP), who is shortly to leave the Parliament, of which she is the doyenne.

II. The EPP group



Maria Luisa Cassanmagnago Cerretti
(Italy)



Johanna Maij-Weggen (Neths.)



Hanna Walz
(Fed. Germany)

The following interviews with three women of different nationalities are based on three sets of questions. Two cover the European Parliament and the issue of women's status and rights in Europe: as with the women members of the Socialist group, a general and relatively positive consensus emerges on the work and

debates at the European Parliament since last September, and equally there is confidence that women, both in the Parliament and in society generally, are actively reaching equality with men without, however, losing sight of their traditional roles.

The third set of questions covers issues of particular concern to the MEPs interviewed: social affairs in

the case of Mrs Cassanmagnago Cerretti; environmental protection, public health and consumer protection in the case of Mrs Maij-Weggen; and energy in the case of Mrs Walz.

(1) Simone Veil, of the Liberal and Democratic group, elected to the presidency of the European Parliament, is not included in this total of 68 women MEPs.

Maria Luisa Cassanmagnago Cerretti(*)

“The fulfilment of the individual is a theme which is dear to the EPP”

I — The European Parliament

► As one of the two vice-chairmen of the EPP group in the European Parliament, do you see your political work as a continuation of the work initiated by De Gasperi, Adenauer, Schuman and other great Christian Democrat leaders?

— I consider myself an interpreter of the continuation of this line of thinking, which was initiated, I would say, especially by Schuman and De Gasperi. As vice-chairman of the European Peoples' Party group of the European Parliament, what I am most interested in is formulating political cooperation in the way that De Gasperi did. Economic unity is only important if it involves the states in a logic of supra-nationality which “pauses for breath” in order to let political unity take the lead.

I realize that this line of thinking is very easy to outline but much more difficult to carry out. The Luxembourg summit failed on account of national problems: everyone was concerned with the interests of his own country. In a moment of difficulty like that, where peace was at stake, these politicians were in disagreement over the problem of how much money to give to Great Britain or over the problem of farm prices (though, in fact, a substantial advance was made on the problem of farm prices). The basic error is this habit of only looking to our national interests, rather than making that substantial advance which would allow the continent of Europe to become a negotiating partner with the rest of the world.

“Despite the direct elections the European citizen has still not emerged”

► The European voters have their part to play in bringing about the politi-

cal unification of Europe. To what extent are your constituents aware of the way you are carrying out your European mandate?

— Our way of keeping in contact with the electorate is this: firstly, we make a resolution, for instance on the subject of the budget, on women or on employment policy. We then send this resolution to the “opinion formers” who are the group secretaries of the party, womens' associations, universities, etc., and ask for their assistance. Following this, the various groups telephone the European delegates to discuss the problem and in this way — because we forward a copy of the proposed resolution—the resolution is discussed with the electorate, who thus participate in the European decision-making process.

However, I am well aware that this only half works, because even within the parties, national problems are of the most interest to the electorate and despite the direct elections the European citizen has still not emerged. What is our party trying to do? Above all to be in evidence, especially in the mass media—that is state and commercial television—so that we can get the message over.

Whoever wants to can get in contact with us, even if because of the moves between Brussels, Luxembourg and Strasbourg the possibilities of arranging a meeting are less than ever. We Italian delegates have considerable difficulty because our electoral constituency comprises three, if not quite four, regions; for example: I represent Lombardy, Piedmont, Liguria, the Val d'Aosta. Last Sunday I was in the Val d'Aosta, next week I will be in Turin It is evident that this does not permit me to meet many people. I generally move about within a much smaller radius. The new electoral law should organize constituencies on a more human level, in order to create a more real and immediate contact with the electorate. The European citizen will only emerge when the electorate realize that the energy problem, employment problems, the problems of health in terms of prevention, pollution problems, etc., have supranational dimensions; that the problem of employment is not only an



Maria Luisa Cassanmagnago Cerretti

economic problem but is tied in with respect for the person, with individual freedom of choice.

Consequently, even industrial planning must assume a supranational character, even if it goes against the interests, among others, of the multinationals. I will give you a little example: it is still possible in Italy to set up industries with a level of pollution unacceptable elsewhere; involving the public in these choices is truly important and far-reaching. And it involves developed as well as less developed areas.

The work “is too onerous”

► You mentioned at one point that you would also like to make the work of the European delegate more human. Is this work at present too onerous?

— Yes, it is too onerous, because the institution is subdivided between three places and because, as I have said, the relation with the people, with the large electoral constituency, risks being false. The dimension of my constituency is enormous: even today when I think of the 200 000 votes which I won, I realise that I never established relations with the electorate, despite having obtained such a large vote.

► Consequently, you have given up your national mandate.

— Yes. Everyone told me that it was not a very wise decision, that I was risking a lot. However, I have been in the European and the Italian parliaments for two and a half years and I have realized that if I am to play any role in

(*) Vice-chairman of the EPP, member of the EP political affairs committee (and formerly of the social affairs committee) and of the EEC-Greece mixed EP committee delegation.

decision-making within the European Parliament, I need to work full time in this alone. This does not mean that there is no necessity for dialogue between the two parliaments; indeed there is, and here I must point out that we have initiated European and Italian contacts in order to develop room for integration. For example, the Italian parliamentary group has just completed a conference in Florence on the subject of "Europe and the world", underlining how the basic choice must be peace. These conferences have been very significant: they have reinforced the importance of the role of the European delegates.

On the subject of political cooperation, we need to find a *modus vivendi*.

► *Compared with the former assembly, what do you think of the working of this new European Parliament?*

— There were some high moments at the beginning. We did well to reject the budget. Probably something has been lost on the way, but I have the impression that in the next session there will be a major renewal on the part of the Parliament itself. I would like to make it clear that the basic problem is less ideological than a question of moving forward of the institutions. We all realize that we cannot get any further into the bog than we are at present, with the European Council broken down, the Community broken down and no budget. We need to take the matter in hand in order to start advancing. That is why I said earlier that the matter of settling the budget is so important, without going into details of the figures. The real problem is: can our institution resume political leadership? Can this institution condition the Council of Ministers and the Commission? During the recent study session held by the EPP in the Camargue, we spoke of the role of the institutions and the new form of control of the institutions. Let's make a comparison between the Italian parliament and the European Parliament.

In the Italian parliament, during my 10 years there, the decision-making powers of the individual MP were modest.

The European MP, in my opinion, has much more room for manoeuvre within the respective political groups. I can prepare myself in the group meetings before the session commences: this is not possible in the Italian parliament because the session is permanent. In the European Parliament one can achieve more: here I have found very well researched documentation. In the European Parliament, if you want to, you can work well; all the means are put at your disposal.

II — Social affairs

► *You are now part of the political affairs committee and were previously a member of the social affairs committee. What are the main social advances achieved to date by the Community and what are the priorities for the future?*

— I would say that the most important advance has been in training the young and the re-education of women after a period of motherhood. It should be noted that this has been done despite the limited funds made available for the project by the Community. However, the basic problem is the preparation of the young to take up the new jobs which become available.

► *Considering we are in the middle of an economic crisis, should you not call it preparation for unemployment?*

— We discussed this question at the Camargue meetings a few weeks ago. There are positions available, which cannot be taken up because there are no suitably qualified people to fill them—not so much in the tertiary sector but in other jobs which require specialization, such as electricians, plumbers, etc. Even in factories there is a lack of some skilled workers.

The solution would be to take some of the unemployed and give them a more complete and precise professional training, to enable them to fill these jobs. This is what the Parliament and the EEC as a whole are trying to do. Regarding employment, the crisis is mostly in the textiles and steel industries. We are in a rather dramatic situation, also in relation to problems of competition. An advanced industrial society always finds itself competing with a world which can produce at lower prices. The European Community is at present trying to make certain choices, looking at shortening the working week and increasing production.

Another consideration is more mobility of the work forces. It is no longer feasible that, if I am in this office and my presence is needed elsewhere, for example, in developing countries, I remain here. We must have this general mobility. Thirdly, early retirement on suitable terms. These propositions are tied in with the question of income. In short, we should aim for increasing income and at the same time achieve a decrease in the costs of production; this is the way to achieve some stability. The consumer sees devaluation from one standpoint and price increases from another; if income becomes more stable, devaluation will cease and at the same time prices will fall.

People would have to get used to consuming less, to making value

choices rather than frittering away what little income could be used for investment. It is important that employers, employees and consumers are all involved in this. No consumer can fail to be aware of the present situation.

In my opinion, energy supply is a large hole which the Community has yet to fill. The development I have just described can be achieved if oil prices stop rising every three months and if alternative sources of energy can be planned in a far-sighted way. Either this Parliament will manage to find a solution to this problem, in conjunction with the Nine and with the free world, or it will always be in an impasse. Furthermore, such is the political tension that every state is spending more on national defence, while in consequence, because of irrational choices, the solution of social issues risks coming to a standstill. I am not disputing the fact that the West must be on the alert regarding defence, because it is a real problem; however, our social policy would have more room for manoeuvre if we could slow the whole process down a little.

It is important that the European Parliament tries to come to some policy decisions on the subject of the freedom of the individual, and the employment problem is linked to this. It is evident that we must have world security, but the Parliament must also deal with the problem of employment, which concerns the public more directly. This is where the whole matter of retraining youth and re-educating women comes in. We are not saying that every woman should work: we would like to see freedom of choice, the possibility of choosing either to be a housewife or to work. I know that I would not make a very good housewife, if that was my full-time job, because I am not very gifted in that field; I am happier combining a career with housework because I enjoy the contacts with the outside world.

III — Women's status, Third World

► *To what extent are you a feminist when it comes to carrying out your political mandate?*

— I am sure that within the European Parliament, as in all institutions, you must have a ruling class. I am not making distinctions between men and women: I criticize "non-ruling-class men" just as I criticize "Salvation Army" women. If I am as prepared and as competent as one of my male colleagues, then let the best one of us win. You see, this group—women—who have always been considered as "sub-normal", must fight to get the jobs available and at the same time keep them—

selves well covered from the cultural point of view.

"Keeping up with the others"

When I think that at the beginning of this mandate there were only 10 women in the EPP and I never dreamt of becoming vice-president, I can see that the previous years of work and dedication have produced a result; that is, that people now recognize women as part of the ruling class at the European Parliament. I must say, however, that it is twice as hard, because we are regarded as rare creatures and they are waiting for us to make mistakes. Therefore we have to make twice the effort in order to keep up with the others. I must add that if I were to evaluate the 10 women in my group I could honestly say that it was a group of very high quality. On the other hand, think of the selection process: very often there are lists with only one woman. We are not looking for lists of 50 men and 50 women, only for people with potential ruling class ability, be they men or women. It is feminism, but in the sense in which I have tried to explain it.

► *You hold a deputy post in the joint committee?*

— No, I am a full member of the joint committee, in fact I went to Arusha. I hold a deputy post in the development committee.

► *What do you think of these contacts with the ACP countries?*

— It is extremely important that Europe should have concluded this second Lomé Convention. From my experience, I stress that we need to make a substantial advance, to pass

from the treaties to working reality. I realized, when I went to Arusha and visited several cooperatives, that we need to articulate better this relationship between developing countries and the European Community.

Creating "a political and economic community"

The report by Madame Focke is the result of what we would like to do: to be present, to solve the problems, not merely to talk about cooperation and development. To solve the problems it is necessary—as commissioner Cheysson said—to have projects made out not by us but by our ACP partners. Some earlier mistakes resulted from choices which we demanded they make, probably in order to increase our market.

This Europe has always seen Africa as a convenient market where it can dispose of its products. This Europe is learning, as, furthermore, Africa is learning, to become a partner—I take up this whole idea of partnership again. It no longer matters who has the most resources. Only then can one contribute to the human element of growth in order to create a political and economic community. This theme of the fulfilment of the individual is a theme which is dear to the European People's Party, while Mrs Focke's excellent work was tied in more with a social democratic vision of society which takes the worker into account but does not distinguish him or her as an individual. We must make this distinction, through planning which takes into account the individual and not just his income.

► *So you return to fundamental human rights.*

— Certainly. White, black or yellow, the basic point is that people in the underdeveloped societies must be given equal bargaining power with the other interlocutors.

► *To what extent is the position of woman in Italy different from that in the other eight EEC countries? Even within Italy there is a regional difference between the north and the south.*

— From the legal viewpoint, Italy is quite advanced. There is a law on family rights, another on equal pay for men and women and they are now drawing up a law on the problems of sexual violence. Despite these, there are still situations which do not respond to the legal norm. If an intelligent legislator produces a good legal norm, but there is no cultural advance in the population, then the legal norm will not have great effect. We have some unfair situations

in southern Italy, but also in the north, despite the legal equality and equality of employment. We have women who never have the choice between being a housewife and going out to work, simply because there is a cultural hinterland which does not permit this choice. For example: parents' rights and duties towards their children have replaced the rights of the family: the husband and wife decide together on the family. Regarding inheritance, even if an estate is in a man's name, in the family community 50% belongs to the woman. Again, if a son works with his father's company and at a certain point decides to leave, he will receive a part of the hereditary estate of the company which he has helped to set up. As regards the recognition of children born outside wedlock, there have also been great changes: in Italy, from the legal point of view, there is a family community which decides together. I wish you could come with me to some regions and you would see, even yet, the patriarchies or matriarchies which exist. We have held meetings with the Catholic world, with the political parties to explain the new situation which, as Christians, it is our duty to develop. I must say that some advances have been made, but there is still a great deal to be done. The same applies to equal wages. In fact, men and women are paid in exactly the same way. However, in the top careers women are non-existent; it's here that the discrimination lies. They can become judges or presidents of a court of justice, but in fact they very seldom achieve this. In Europe, however, legislation is making considerable advances.

Nevertheless, I don't think there should be an ad hoc committee on the rights of women in the European Parliament dealing with the problems of woman's place in society, but rather the themes of "women" and "youth" should be treated within every committee. In the directions which the European Parliament gives, one should always take into account the problem of "women" and "youth" when dealing with the issues of employment, training, etc. If instead we continue to have an ad hoc committee for women (which in truth, even in the opinion of the president, can only be temporary, to highlight the problems) we will find ourselves relegated to a ghetto. I would prefer this subject to be kept in mind in the social affairs committee, in the regional policy committee, in the legislation, etc. I realise that my way of stating these matters is perhaps more laborious than others who sit down in a room and study the matter. But if nothing I have said becomes policy, it will remain a good diagnosis but in practice come to nothing. ○

Interview by Roger DE BACKER



The two vice-chairmen of the EPP group: Mrs Cassanmagnago Cerretti with Mr Willem Vergeer (Netherlands)

Johanna Maij-Weggen (*)

"I think the Parliament has done some good work so far"

I — The European Parliament

► *Mrs Maij-Weggen, how do you look back on your one year's experience as a member of the European Parliament, and what do you think of the functioning of the European Parliament so far?*

— I feel very positive about this first year. I was never a person to start anything off with great expectations. I find it is always safer to set your sights very low at the start.

I think we must be careful not to arouse too great expectations. Really, we have just made a start in a completely new situation, and this has to be built up. I think the Parliament has done some good work so far and I look on my own role in it as positive.

► *Do you find it difficult, as a new MEP without any previous national or European mandate, to work in the European Parliament and to acquire parliamentary experience?*

— I have not found that so difficult because I have quite a lot of political activity behind me, particularly in my own party where I am active in a number of committees, including some that are involved with parliamentary work.

Then I have had a bit of experience in the United Nations, which is really a comparable forum and in which above all there is international work. So I have already had the experience, and I think it has helped me to find my feet very rapidly in the Parliament and in the party group.

► *How do you interpret your parliamentary mandate to your Dutch electors?*

— I interpret it, in the first place, as being in the context of my political background, which again refers to my

party, the members of the party and those in my party who elected me. I myself have been made responsible for three areas of our country: the west of Holland, particularly the Amsterdam region, and north and south Holland. I have good contact with the administrations there and hold regular meetings where I talk with them. This is really my first field of activity.

My second field is with the women's organizations in Holland, which represent a very large group. I have been for many years a member of the management of the Dutch Women's Council, which is a coordinating body for 50 women's organizations representing about 1.5 million women.

I am not exactly unknown in these circles. I also write for the publications of these women's organizations, so really I have a double background: the political background, which is regionally slanted towards my own constituency, and the feminist background; and I must say that the two go together naturally.

"The Christian Democrat group is one of the most constructive and coherent"

► *You yourself are a member of the ARP, which is one of the parties in the Nederlandse CDA, which belongs to the EPP. The EPP is one of nine parties representing seven countries. What is the state of political cohesion between these representatives who, although they may all be Christian Democrats, are widely different?*

— That is something I have been involved in a good deal: cooperation between parties in the same group but with varying traditions, I think it has gone much better than I expected. I think that arose from the fact that, at the beginning of our group's work in September 1979, I did something useful and very important, on the suggestion of Mr Beumer, who was the leader of my Netherlands delegation.

This was at a time when in the other groups, as I sense it, people were busy



Johanna Maij-Weggen

with power politics and grabbing positions; whereas in ours, at Mr Beumer's suggestion, we started with what I would call a groundwork debate. We debated for three days as to how we ought to function as Christian Democrats in the Parliament. It was a fantastic debate, and the result was that we were very rapidly able to step beyond national interests, and beyond the questions of power and position, and we really did discuss what were the most important Christian Democratic elements and how we could bring them into politics. In this we were supported by the fact that we had a European party programme.

These two elements, the European party programme and the groundwork debate, laid a wonderful foundation for unity in the group.

I won't say that we never have discussions in our group, but both friend and foe admit that the Christian Democrat group is one of the most constructive and also one of the most coherent, and I regard that as very positive.

► *Do you have the feeling that the Dutch voters, one year after the direct European elections, now feel closer to people from the other eight countries?*

— Well, that's how it should be, but I wouldn't go to the barricades to swear that it actually is so. But I must say that Holland is a very Europe-minded country and when I go round the country for meetings I always encounter a European spirit.

(*) Member of the EP environmental protection, public health and consumer protection committee.

I think that in Holland we are inclined to be ready, if necessary, to give up part of our national interests for the common cause.

Thus the spirit is there already, but whether in general people have a clearer concept of European politics —well, that is something I'm not sure about.

I think one point where the European Parliament is not working as well or trying as hard as it might is in explaining European politics to the public, and I must say that in this we need the help of the press, and the Netherlands press might perhaps help us a bit more.

II — Environment, public health, employment

► *Looking at your committee work as a member of the environmental protection, public health and consumer protection committee, what is your general opinion of the work done by the EEC in these areas?*

— Well, I must say that a lot of good things have been done in the area of consumer protection. Also in the field of environmental protection. But my wish is for much greater activity in this sector. When I consider how much of the total budget goes to problems of this sort, it is such a tiny fraction that it is really shameful, and one must ask if it is worthwhile keeping 37 MEPs occupied on that basis.

But what has been done is, in general, positive. I am thinking, for inst-

ance, of directives which lay down that certain chemical products must be used less, and directives against the use of certain chemical additives in food. For environmental protection, in particular, I feel that we could do a whole lot of useful things, and I must say I find too little understanding of this in the Parliament.

This is a pity, for my experience is, particularly in the Netherlands, that the public consider this a very important element of European policy. They see very clearly that environment problems are something which is not limited by frontiers. Think of the Rhine, think of the problems connected with the North Sea.

People expect us in the European Community look for solutions for these problems, and my impression is that in the Parliament in general, but also in the Commission, these problems are on the bottom rung of the priority ladder.

► *You were involved with public health in your capacity as a teacher dealing with the training of the handicapped. What does public health have to do with European unification?*

— Public health seems to be considered even less important than the environment as a part of European policy. In public health we are still working on the margins of European policy. I think there are a number of matters in this field that could certainly be tackled at a European level, and my group is now busy taking a number of initiatives in this respect. I am thinking of a matter such as the free availability of medical help, so that if you become ill abroad you can count on help with the same financial facilities as you would have in

your own country. This is particularly poorly regulated at the moment. I am thinking of the establishment of a sort of health passport, which would contain a simple presentation of data so that if you do fall ill and have the misfortune to need medical help in another country, it can be quickly ascertained what particular things are necessary and the necessary help provided. There are quite a few practical matters that really need to be tackled at European level in the field of health.

There is also a lot to be done in the field of environmental management. I am at the moment busy on a report on oil pollution in the North Sea, and this, I think, is also a point where the European Community could do quite a bit. At present there is a great increase in off-shore drilling activities; Britain is particularly active here, since most of the oil is in this part of the North Sea. But the fact is that, when accidents happen, as recently in Mexico and also in the North Sea with the Bravo accident, then the whole of the North Sea could rapidly become polluted. The safety of drilling rigs and measures against serious pollution require the cooperation of others, and here the European Community could be a very useful forum. On this point, the European Commission is doing something, but it is still very little, and I think this is something we could encourage in our parliamentary committee.

► *So, the environment, public health and consumer protection committee still has quite a bit of new territory to explore?*

— Yes, it is a committee where we have a number of problems to deal with. These are often highly technical, and in this connection I must say it is a pleasure to work in the committee because there are people on it that have good technical backgrounds in a number of subjects and this very often improves the quality of discussions, including political discussion; no one is dealing with any subject for the sake of playing politics.

Unemployment "the most important problem"

► *What do you consider are the priorities the social affairs committee should work on, within the terms of its mandate?*

— I find that the most important problem we have to deal with at the moment in the social affairs committee is unemployment. We must try to make a contribution to solving it. This is something almost all the parties said at election time. At the time of the elections, we had about 6 million unem-



Mrs Maij-Weggen during a session of the European Parliament

ployed, and now we have 8 or perhaps 10 million.

This does not mean that I think there are no other problems in this field, but the committee does place the stress on this one.

► *What are your ideas on reversing the rise in unemployment?*

— Naturally there are attempts to establish a policy for this, but there are a number of major problems connected with the economic recession. There is too little fresh investment in the business world, and thus too few jobs are created, and this naturally leads to increasing unemployment. So the measures that should be taken are not, in the first place, social but economic.

But economic measures are not enough. We must go on to partial restoration of employment. This is not just a socialist principle, it is also a Christian Democratic principle.

When jobs become scarce, you cannot just leave it to the stronger to take advantage of the situation; the weak must also have their share, and probably the only solution for this is to bring about some redistribution of labour.

The Socialist group is pleading for a sort of rough and ready shortening of working hours. I do not consider this is the real solution; the real solution is much more likely to be found in a varied system of solutions: early retirement can be one of them, and the introduction of five-shift working in certain sectors such as the steel industry, as well as the introduction of part-time working, which is particularly appreciated by women. All these can be solutions.

But I consider it stupid to make a general reduction of working hours to 36 hours; that is not going to solve our problem, for there are sectors of employment where there is no shortage and it would be disastrous to insist that those sectors should be arbitrarily forced to work a 36-hour week. I think we must bring about a degree of redistribution of labour.

III — Women's status

► *What are the principal conclusions of the report you prepared on women's work in the European Community?*

— I cannot draw any conclusions just yet. There are now a number of working documents in circulation. I prepared a working document on the position of women in the working process, one on women in education and one on the

position of women in the developing countries.

Two other co-rapporteurs are working on a document on the legal position of women; and then we have to prepare a document about the position of women as regards health, but there is very little material available on this at Community level, so this one will probably call for a lot of effort. We have had two basic discussions on the document about job opportunities; no official recommendations have come out of these as yet, but I can tell you about a number of points that will probably feature in the recommendations.

In the first place we pointed out that an increasingly large proportion of women were going to take their part in professional life. We consider that positive. My group, also, considers it positive. We also find that we should encourage this trend and that it is something that women have earned.

When we see that at the present time, after her period of activity with the family, she has nearly 40 years of activity left, then you cannot ask a woman to exist as someone entitled to a pension for 40 years. Women have a natural right to a place in society and a job or profession.

Well then, in our present economic situation we have to create this place; and in this economic situation, where we have to assume that the number of jobs is not going to increase, then we have to come to a degree of redistribution of labour. So you see to what an extent the items we deal with in the social committee touch on the affairs that are discussed in the ad hoc committee on women.

Another point that is particularly important is that women are also a long way behind the men as regards training, and this means that they are in a poor starting position in the labour market. Well, this harmonization of training should be an important task for the European Community and in this connection there are certainly great differences between countries.

We see, for instance, that in France there are more women in technical professions than there are in countries such as Holland or Ireland, where the number of girl students at technical schools is very small. But it is a fact that in our employment situation there are many more possibilities in the more technical professions than there are in service professions.

► *When the ad hoc committee was formed the EPP was not originally so enthusiastic in the European Parliament on the subject of women's rights, and you are, for instance, the most*

industrious producer of reports on the committee. How do you now see the aims of the committee?

— Our group was the first to table a resolution about producing a report on women's position in Europe and having a major debate on this. I myself tabled the resolution, back in September 1979. In the beginning we were somewhat opposed to the idea of setting up an isolated committee to work on the preparation of such a debate, because we were afraid that if it were done in that way, women's problems might become isolated from the other committees. This we would find a very bad thing. Then it was promised that this committee would be merely a temporary one having merely a stimulating function and tabling a basic report.

Under these conditions, we agreed to the committee, and under these conditions the Socialist group also modified their resolution. But, once again, I find it important that this committee should not go on for ever and that at a certain moment its work should be rounded off, and that the members who have worked on it should carry on the ideas from this committee in the existing committees. This seems to me a very important matter, and I have the impression that this is what is going to happen.

My impression is that now there is also a majority in the ad hoc committee that is coming round to our original point of view. If we were to isolate the problem, as was happening to a certain degree, and if a number of committees that had to deal with women's problems were to say "let's wait to see what comes out of the ad hoc committee", that would be a bad thing in the long term.

There was a decision taken in the last meeting of the ad hoc committee to wind up the committee by 1 January 1981 at the latest. But this does not mean that the work of the committee is ended, because it will probably continue on two, or four, times the scale.

► *On the other hand there are women who say "God helps those who help themselves" at that women are the people to solve women's problems. What do you say to that?*

— You must not forget that in this Parliament—and I find this quite a relief—there are 68 women members. They work on all the committees and I find that in the debates the women certainly do not play a subordinate role. They are often excellent speakers and rapporteurs, and in this sense I must say that the women who work on the

committees are in an excellent position to defend women's interests. I also note that when we come up against certain problems in the social committee or the environment committee or the public health committee, these being problems that are concerned with women's position, women understand one another very well and unite on the same point.

This does not imply that women's problems are apolitical but that they have a very good mutual feeling for situations where the position of women might be threatened. And so in this connection I must say that I think the 68 women can look after each other and that the interests of women will be very well defended in all the committees in future. I have no doubt about this.

"Where there is particularly serious discrimination, we should expose it"

► *Is there great solidarity among the women MEPs across the political groups?*

— I wouldn't say there is solidarity in the sense of its forming a separate political context. No, it's not like that. All of us are working in our own political context, but there is a great deal of recognition and understanding when problems are tabled that concern the position of women.

► *What is the future for women in Europe?*

— The European Commission has made a start with a policy in favour of women, if you just consider the three directives on equal pay, equal treatment and similar treatment in social security. I hope we can continue this to an even greater degree and see that women have an equally important role in work in companies as men. If we can encourage this process, than I consider we would have done a very important job of work for women.

Further, we should work for the disappearance of the practical discriminations which still exist; some of them are not recognized, but they are nevertheless real. Where there is particularly serious discrimination, we should expose it, and we should create room for women to participate as fully as possible in society.

But we can never offer emancipation to women on a plate. It is the women themselves who have to conquer it. A political context can create the room for this and remove the obstacles, but it is the women themselves who have to take the steps once the obstacles are removed. ○

Interview by R.D.B.

EUROPE

Hanna Waltz(*)

"We need the developing countries as much as they need us"

I — The European Parliament and the Third World

► *Mrs Walz, in your experience as member of the former European Parliament, from 1973 onwards, how different has the new directly elected parliament been from the old assembly over the past year or so?*

— The old parliament was, very different from the new one. Certainly, we were all elected MPs in our own countries, something that is often overlooked, but it was far more a working parliament in which we also tried to find compromise solutions among the different groups in order to carry a committee's decision unanimously in the assembly. Today, this is no longer the case. Voting takes place to a great extent on the basis of ideological convictions and, on this account, collective decisions have become very rare.

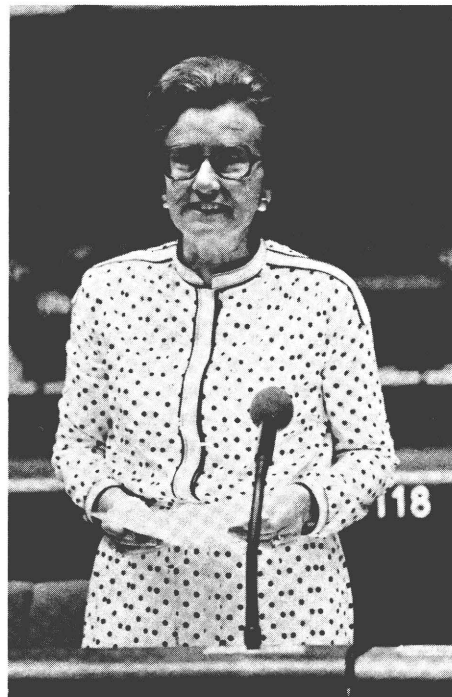
► *In your opinion, is this better or worse?*

— As I am a person who seeks compromise and who willingly attempts to make the best out of a compromise, I find it somewhat more difficult. Naturally, the new European Parliament has an essentially political touch. Many of its members are in a parliament for the first time and they wish to promote themselves both there and back at home as much as possible.

► *To what extent are you able to combine your Bundestag's mandate with your mandate to the European Parliament?*

— Hardly at all. It was still, to some extent, possible in the old parliament because the constituencies were the same. Today, it is practically impossible because, precisely on account of direct elections, the number of meetings has increased by a third overall. Today, it is impossible and I am happy that most of us will no longer have a double mandate.

(*) Chairman of the EP energy and research committee.



Hanna Walz

► *What do you think of the functioning of the new Parliament?*

— I believe that we have done some things exceptionally well. If you only take the question of the Olympic boycott, or that of Afghanistan and of solidarity with America, then we dealt with those much more rapidly than the national parliaments and the decisions were reached with large majorities.

► *In what way can you use your EP mandate for the promotion of your regional constituency of Hessen, and what does your constituency think of your European mandate?*

— At my last nomination I told the voters that I would later decide in favour of Europe and that my constituency would have to look for a successor to me. Naturally, however, there are certain industries that have interests at a European level and that are most concerned with certain issues debated by the European Parliament. In my constituency, the leather industry is an example. On the whole, however, the public

is not yet committed enough to the European idea.

Explaining Europe: "there is certainly a great deal left to do"

► *Can you use your mandate to make the European idea better known?*

— I certainly believe so, as I often give talks on the European Parliament and explain the latest decisions it has taken. In this field, however, there is certainly a great deal left to do. This is because I have the feeling that the European commitment is as strong in West Germany as in most other member states of the EEC.

► *How can this be done?*

— Only by bringing the highly complex structure of the European institutions closer to the people and in a much simpler form. It should become clear to the public that within the EEC there is a certain legal apparatus, in the form of directives and guidelines, that must be respected whatever the national parliaments have to say about it. Already, several areas of responsibility have been transferred from the national parliaments to the European Parliament without people in the national parliaments being fully aware of this. Furthermore everyone must know that European law overrules national law and it is already a decisive factor when this law comes before our own.

ACP-EEC discussions "especially useful"

► *You are a member of the committee on ACP-EEC relations. What has your experience been in this forum of discussion concerning the contacts between rich and poor countries and what is the role played by the solidarity prescribed by the EPP?*

— I would say that these discussions with the ACP group, that revolved principally around Lomé I and Lomé II, were especially useful for both sides. At the last ACP conference in Arusha, I noticed especially that the unrestrained attacks, that I had sometimes noticed in the past, against the industrialized countries had subsided and that there was a spirit in favour of genuine compromises. The ACP countries had also realized what could be achieved in a time of economic crisis and what was impossible and, as a result, we were able, this time round, to agree on resolutions much more rapidly than had been the case previously. It would be a good thing if the notion of reality was much greater on both sides. On our

side, we should realize that we need the developing countries as much as they need us and, on the side of the developing countries, they must realize what we can achieve with our reduced budgets and what we cannot.

► *Is the German public sufficiently aware of what we should achieve?*

— I would tend to think that this is not sufficiently known, that we tend to think on the basis of an affluent mentality that is completely unsuitable. The developing countries have as much to contribute to us as we to them. We have more money and we have the technology, but these countries have the raw materials and it is only in a combination of technology, raw materials and partnership can this problem be solved in a sensible manner.

II — Energy

► *In the new European Parliament you are also the chairman of the committee on energy and research. How did you come to join this committee?*

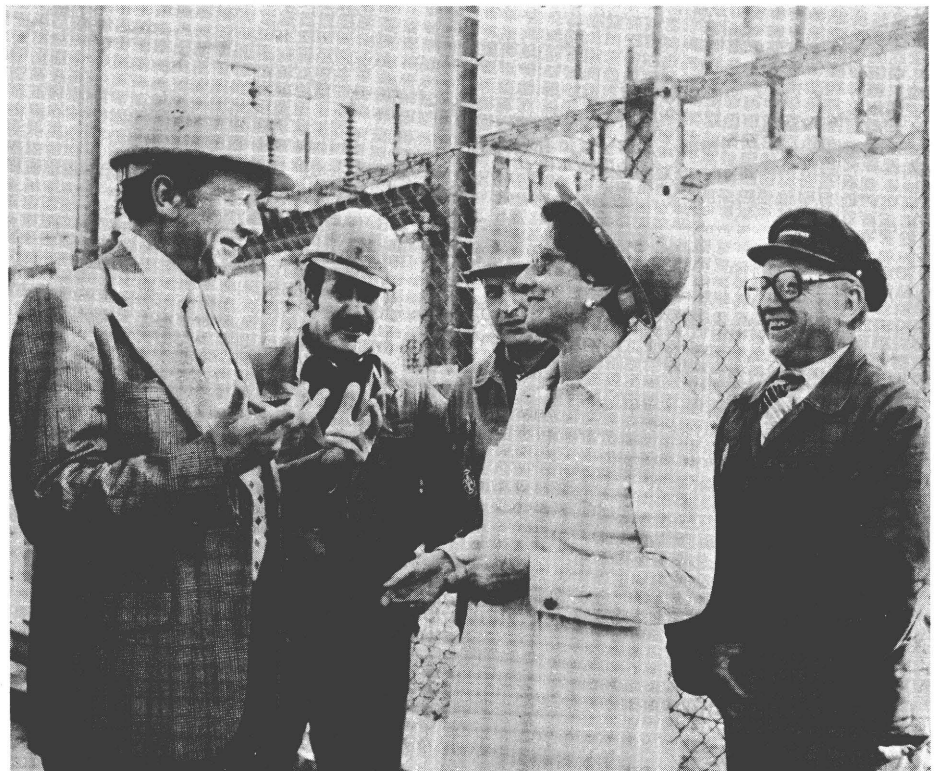
— Originally, I was involved in educational policies, afterwards research policy, then policies dealing with research and technology; this was when I was in Germany, in the Land and Federal parliaments. Afterwards, I went to the EP and was also involved with research and technology policy. The question regarding energy is a new

one, as it is dealt with differently there than in our parliament, where important economic matters are debated in the committee. I was prepared for nuclear energy as this was always one of our themes. Naturally, we now have the alternative sources of energy, economizing, coal, gas and oil and all the problems that we currently face regarding the guarantee of our energy supplies.

Priority to saving energy

► *What are the priorities that you can see the energy and research committee dealing with?*

— We have established energy saving as our future priority. This is something with which everyone can begin at home and where we can do something both direct and immediate with regard to industry, traffic, the heating of public buildings, etc. This is the first step for us. Afterwards, we will certainly deal with coal and nuclear power. Coal is something that we believe has been neglected for far too long, on account of cheap oil prices, and we have it right here in Europe. We should use our own resources. Nuclear energy is important because these resources cannot solve all the problems and because we must free ourselves from our dependence on oil as much as possible, because it can be used to blackmail us—I am only thinking of the question of Israel. In the course of the next 10 to 15 years, we will certainly not succeed in reducing



Hanna Walz visiting an electric power station in Belgium

our dependence on oil to 30% and under; on this account, we must use all other sources of energy in order to achieve this ratio; that is to say, to go below the 30% mark.

► *Despite the current energy crisis, the EEC still lacks a global energy policy and only aspects of this have been worked out. As a political institution, could the EP apply pressure in order to speed up progress in this field?*

— We have repeatedly attempted to apply pressure as, after the first oil crisis, it was clear to us that the writing was on the wall, although it was possible to brush this aside so rashly that by and large the public did not notice what would hit them in the future. On account of this, we have always demanded that the Commission formulate an EEC energy policy. The Commission has, let it be said in its favour, attempted to do so. In this field, however, so many national forms of egotism come into conflict that it becomes uncommonly difficult to formulate such a policy.

I myself introduced a working report in 1977, on the location of nuclear energy plants and their acceptance by the local people, and, at that time, I demanded that the public be correctly informed from the outset. I quoted England as an example where this is widely done and, as a result, had given rise to the least difficulties because the people had been told what the real and what the fictional dangers were. The programme was accepted.

► *In West Germany, as in the other EEC member states, the choice between nuclear energy and other forms of energy has already led to several incidents between supporters and opponents and has also led to the establishment of new political parties. Do you think that there is a "golden mean"?*

— No, I do not believe that there is any middle way. I also believe that, as industrial states, we cannot abandon nuclear energy, especially in view of the situation in the oil sector. I only need to glance at the Middle East and to see what political ideas are being developed there in order to know that we must do everything to reduce our oil dependence as far as possible. Another part of our energy supplies must be taken over by nuclear energy and a third part must be covered by coal as, in Germany and Great Britain, we have always demanded.

► *How much of a burden is the oil deficit for Europe?*

— As regards Germany, I know that, last year, we had to pay about 131 bil-

lion; this year, it will be about 160 billion. These sums cannot be subsequently invested. When we do not invest more, then we are not creating what we urgently need, for example, more jobs. In the energy saving sector, this will certainly create a large number of jobs. The figure for the next few years is estimated at around 300 000 in the EEC but energy-saving measures presume a certain level of economic growth that enables the programme to be carried out in this form. Our growth rate has receded; at the moment it is around the 2.5% mark. We can only hope that it will not fall further. On this basis, cut-backs will not proceed as quickly by means of new methods, such as house insulation, as we would like. A great effort is therefore necessary over the whole energy sector and in the EEC it would only be sensible to take the best model from each country and then to apply it collectively. Without a common energy policy and unless national egotism is overcome, we will run into some very considerable economic difficulties.

III — Women's status

► *To what extent do you try, using your political mandate, to improve woman's place in society?*

— Concerning the feminist problem, I must tell you that I side with those people who are basically in favour of the emancipation of women but who consider that many of these aspirations are exaggerated. I am for equal rights for women, both in work and in marriage, but I work on the principle that society is made up of both men and women. It should not be run on the basis of women against men but should be made collectively with men, especially since in nearly all countries—at all events, within the EEC—the matter is legally settled.

Putting equal rights into practice

From the legal viewpoint, equal rights are here but do not yet exist in practice. In this respect, I believe that the trade unions should take up this matter, although they have been very reticent. We must reach the stage at which every woman has the same opportunities and the same rights as a man; but I would like to add that they must remain partners and achieve this together.

► *The unemployment rate among women in industrialized countries and*

in the EEC has risen drastically. In this time of economic crisis, do women need special help?

— This they certainly need, as today we are given the impression by the various parties that women are well catered for by staying at home and that jobs should go to the men. I certainly cannot agree with this, as women must have the right to develop. In the circumstances, work must be divided half between men and half between women. People must agree to this. In no instance must women bear the brunt of unemployment. In such a case, the progress of the past 30 years would be cancelled. Women will certainly not agree to this.

► *In the EPP group there are 10 women out of a total membership of 107. Can you, on the basis of this proportion of women in your party and in other European parties in the EP, exert sufficient influence to improve the role of women in Europe?*

— When we all work together, then that will certainly be possible. Yet it must be said that, of course, committed communist women have different ideas than we, I won't say bourgeois but moderate, women. There is no doubt that, up to now, there have been contradictions. Take abortion, for example. Our opinion is not shared, as it is in Germany, that the work of a housewife has the same status as that of a working woman. We think this is so as the housewife creates as much for the collective good as a working woman. In Germany, we have the legal possibility to oblige men to hand over a tenth of their income as recognition of their wives' housework. Apart from this, we emphasize the complete equality of rights between housewife and mother and working woman. The main thing is that the choice should remain open and that it should be made easier for the working wife who is also a mother.

► *What is the main thing you would like to achieve before the end of your EP mandate?*

— My personal aim would be a much better coordinated energy policy in the EEC and, as far as possible, a common energy policy. Some countries have oil, others have gas, some coal and others practically nothing. In this respect, there should be more equality between those who have energy resources and those who do not than has been the case in the past. This is most essential in times of crisis because as long as the situation is not too tense, every country can obtain what it needs on the market. ○

Interview by R.D.B.

III. The EPD Group

The EPDs are the sixth largest of the political groups in the European Parliament. Our interview is with one of the outstanding women members of the group, who is shortly to leave the European Parliament because of the rotation system that the Chirac (France) list operates.

All the people but one on the list are supposed to give up their seat after roughly a year's work, to make way for someone else in the team presented at the 1979 elections.

The outstanding woman in question is Louise Weiss. She was featured in issue 57 of the *Courier* (Sep-

tember-October 1979) when she made her memorable speech, as the oldest member of the house, at the inaugural session of the new European Parliament, stressing, with conviction and some lyricism, what she felt to be the three fundamental problems for the future of Europe: identity, the birthrate and legality, i.e. human rights.

At 87, Louise Weiss has lost none of her verve. In her Paris flat, steeped in the memory of the great statesmen she has known, she gave a frank interview with the courtesy and charm that everyone who meets her cannot help but feel.

Louise Weiss (*)

"The feminist issue began with Condorcet and finished with de Gaulle"

I. Parliament and women's status

► *The new European Parliament was elected in June 1979 and began work the following September. What is your opinion of its debates since then?*

— You are asking me as a woman and an MEP, I think, as a woman member of parliament. First of all I should like to say that I do not wish to reply as a woman because I think it is totally retrograde, harmful and absolutely counter to women's interests to be asked what one thinks as a woman about political issues. Sex has nothing to do with the issues we have to deal with. Nuclear energy, military integration, agriculture and cultural development, all the big parliamentary matters, have nothing to do with one's sex. It is a mistake to ask certain women MPs, whether myself or colleagues of mine, how they, as women, see the problems and conflicts and how they might handle them. I am sorry to have to say so, but I have always refused to join women's associations. If women form

associations to deal with sexual problems or their particular biological problems, that is one thing. But please do not bring the sexes into politics. I do not wish to be thought of as a woman when I am answering asexual questions. That is the first thing I have to say.

And the second thing is that this attitude does not help women solve their problems. It is postponing the solution they are hoping for because this term 'women's status' anchors them in a separatism that we have tried to break down since the violent campaign I led to get women the vote 30 years ago. We wanted to put an end to this separatism. But it is still being crystallized by the women of today who continue to cling to a sexist idea that has nothing to do with the problems they are being asked about.

"We were second-class citizens. We were minors when it came to our rights and adults if we broke the law"

► *Can I interrupt you for a moment? Between 1935 and 1938, I believe, you chaired "Femme Nouvelle", the militant association that campaigned for equal political rights for women.*

— Yes, of course. We weren't full citizens at that stage. We were second-



class citizens, as we used to say, minors when it came to our rights but adults if we broke the law. The feminist issue began with Condorcet and finished with de Gaulle. Condorcet said there was inequality in the status of women in France. The whole of the 19th and part of the 20th century were

(*) Doyenne of the European Parliament, member of the committee on cultural affairs, youth, information and sport and a journalist and writer, holder of the aggregation, honorary member of the Board of the Université des Sciences humaines de Strasbourg.

spent doing away with this inequality among the people of France. De Gaulle put paid to it once and for all by giving us the vote. So the feminist issue is finished with. It is a thing of the past and anything that harks back to it deteriorates the situation. We should no longer be thinking like this.

► *But don't you think that in modern society, and I am referring to the countries of Europe, there are unequal situations? There doesn't always seem to be a proper response to the equal pay for equal work principle, for example. Nor are there equal career prospects for men and women of equal ability.*

— Here again the situation has been badly analyzed. That's the way I see it. The other day, in fact, I was brought face to face with some young women whom I find charming and I like very much, me the veteran feminist, the old warhorse, the aging grandmother, wittering on about this problem. To my mind, there is nothing more interesting than seeing this new generation of women, who are outstandingly hard-working and intelligent compared to the friends my mother and my grandmother had. So there I was faced with a number of young, outstanding women who had jobs they could never even have dreamed about in my time. There was a member of the Académie Goncourt, a mayor and MP, a famous actress, and they all had remarkable intellectual training.

And what were they complaining about? For complaining they certainly were. They made me laugh. Oh, we're frustrated, they said. Frustrated about what, I said. Oh dear, we've got problems. And men don't? I told them they were the successful ones and they had jobs that would have been unthinkable 50 years ago. Ah, they said, but we're talking about all those who haven't been so lucky and who don't get equal treatment! My answer to this was that there were three things to look at. First, that fame or even plain notoriety will get you equal rights. We live in a democracy and you are of voting age. If you can be bothered, you can do what you like. But you can't be bothered.

Second, I know that the law which gave you equality, the law I worked so hard to get passed, the law I really had a hand in getting through, was (and this doesn't happen often) ahead of its time, because laws generally rubber-stamp an existing situation that would otherwise escape legal coverage. But in this case, the law was ahead of its time as women got the vote generally before they had obtained any professional skills or the intellectual independence which proper use of the law involved.

Perhaps the law is still a bit ahead of its time. It dates back to Algiers in 1943. There is a large group of outstanding men who can aspire to important positions. But an equivalent group of women does not yet exist, although it is being formed and making great strides forward.

► *I think so too. And you will no doubt agree that the development of education is enormously important in this affair.*

— Of course. But the women I campaigned with in 1934-39 had never even signed a cheque. They had never had any responsibility even at local level. The campaign I ran between 1934 and 1939 was crowned with success when de Gaulle took the Algiers decision.

"100 years ago, secondary education for women was introduced in the interest of the republic"

► *There couldn't have been many women with university degrees when you got your aggregation.*

— Yes, there were. The problem wasn't what you think. The law which opened state secondary schools to women is exactly 100 years old and I suggested that the government celebrate the centenary of it. We got the right to secondary education in 1880. Read the reports on the parliamentary debates of the period and you will see that the law wasn't brought in for the benefit of women.

It was for the state, because the French republic was fanatically secular and good republicans who didn't want to go to church or have religious burials could only find convent-educated girls to marry and they forced them to christen their children, get married in church and have christian burials. Republicans at this time bitterly resented the fact that women didn't have a secular attitude. So they decided they had to provide state education for women and they did so in the interest of the republic, not the pupils.

► *People had a strong belief in the possibility of developing and perfecting human nature. And they believed in science. They had confidence in progress.*

— They had these ideas. But girls got their school leaving certificate from high schools and it did not entitle them to go on to university. The idea was by no means to let them have higher

education. They could go to high school and that was that. Until 1914, girls who finished school and wanted to go to university had to study for a baccalaureat first. It wasn't any stiffer or any easier than their school leaving certificate, but it was different and it held them back.

"War in those days was singularly selective"

Then came the war and what happened? Two million husbands were killed. War in those days was singularly selective. It killed young men—whereas today it kills everybody. So there you had two million women in France (and the same went for other countries too) who were unable to find husbands and set up house and home as they had been brought up to expect.

There has never been enough sympathy or compassion or justice for these two million civil victims, who died without ever realizing their potential as women since, and this is particularly hard, they had not been brought up to be nuns. So immediately afterwards, in 1919, the question of the future of these widows—or virtual widows, women without male support—came up. This was when I fought to get them equal rights at least.

"I was the youngest woman of my generation to get the aggregation"

The first headmistress of the Sèvres school, the Ecole Normale, was Madame Jules Fabre, whose husband was a friend of Ferry. There were enough people with the right qualifications to teach in these new lycées. So I wasn't one of the rare women to get the aggregation. I was the youngest woman of my generation to do so. That's something quite different. But the examination was much more difficult then than it is now.

If women went up the hierarchy normally, there was only one way to get into higher education and that was to go for the women's aggregation. So all the intelligent ones who wanted to get to university, to enter higher education, thronged in and the competition was enormous. It was much more difficult because there was fierce competition from outstanding women who had nowhere else to go. The problem wasn't the syllabus. Syllabuses are never difficult in that, if you have the brains and you work hard, you can get through them. But this examination was a competitive one and the vast numbers of very able candidates made it extremely difficult.

"When you have been brought up to expect one thing, it is always harder to have to do something else"

After the war, secondary education for women quite naturally led to university. This was an enormous change, brought about by the fact that the women were alone. They were two million husbands short. This is an analysis of the situation. I was one of a team and the leader went on to found the Ecole Supérieure de Commerce for women and the Ecole de Commerce. I can remember the first batch of students we saw graduate in 1919. There were 18-year olds and there were women of 55, governesses from families whose situations had changed and who were trying desperately to support themselves, something they had never expected to have to do, quite the contrary. When you have been brought up to expect one thing, it is always harder to have to do something else.

Now when women who have succeeded complain, they make me laugh. They have their problems—but so do men. Women who do manual work complain that they don't get the same wages as men and it's true, they don't always get as much. But don't forget they cost the employer a lot more—although they are never willing to admit it. As far as they are concerned, social security pays for their absences, but employers say that women cost 20% more to employ than men. So they may not appear to get the same money but they cost the employers a good deal more. They'll never tell you as much.

II. The European Parliament and world hunger

► *Madame Weiss, can we get back to the European Parliament? Don't you feel that it has wasted a lot of time on problems of procedure and matters of secondary importance over the past year and that it ought to be spending more time on major problems like hunger? I ask this because in one of your speeches to the Parliament you mentioned countries where you came face to face with hunger, when you were only a young woman, in 1921, in the great drought in the Volga basin, the trip when you met Lenin, Trotsky and Stalin...*

— Here is a picture Lenin himself gave me then.

► *So, hunger is nothing new to you. Do you think that the problem is more*



Louise Weiss delivering her speech during the opening session of the new European Parliament in July 1979

acute and more widespread now than it used to be or is it just that we hear about it more and it seems worse—that we are better informed?

— Oh, there are many things to consider. First, you have to take the two questions separately. You mentioned world hunger and parliamentary procedure. Let us take the latter first.

Parliament's power is confined to giving a consultative opinion, which may or may not count, except in budget questions. Its opinions may or may not be taken seriously. I don't know whether much notice is taken of them, particularly when there is no unanimity. But this is not to say that if the European Parliament stood up and adopted a unanimous opinion on something, it wouldn't be listened to or it wouldn't affect the Communities' decision.

Two suggestions for improving procedures—leave technical matters to the experts and drop dual mandates

But I think two criticisms are called for, two things that I think would be very useful when it came to improving the way the European Parliament operates. We get everything, *everything* the Commission and its 14 000 officials⁽¹⁾ do, and we get only four days in each part-session to discuss it, as we unwrap the papers on day one and then we wrap

them up again on day six. So 400 people from the four corners of Europe converge on this parliament and have to give a consultative opinion on an incredible number of ill-assorted problems, some major, some minor. I should very much like to know what point there is in getting me to say what I think about imported bicycle chains from Taiwan or how much sugar there ought to be in raisins. I think there is a difference between the government-appointed experts, whose opinions should be sufficient, and us, the MEPs. We are absolutely incapable of having a reasoned opinion on these matters and we should not be asked about the sort of problem which we have to trust to an expert.

► *So you think the MEPs should concentrate on major political issues?*

— Yes, political issues. And leave the technical stuff to the experts. I also think that the Parliament would be more efficient if it was not half made up of people who also sit in their national parliaments. I think we should rule out the possibility of combining the two functions. You can't stop an MP with voters, local electors in his own country, from talking about his local interests in the European Parliament. But you can't draw any useful conclusions for the European public in general from what he says. That much is obvious.

⁽¹⁾ More exactly, 8362 Commission officials and temporary staff (as of 30 June 1979) — Ed.

► *That is the problem of dual mandates.*

— Dual mandates do not help the authority of the European Parliament. To my mind, France is only of local interest as far as Europe is concerned. I don't think we should be asked about matters that are for the experts. Parliament should be consulted on the major political issues and it would be a good idea if, in view of the way it works, it was composed differently. And I'm not the only one to say so.

World hunger

► *When you spoke in the hunger debate you mentioned the famine in the Volga basin in 1921.*

— I have been to a number of famine-stricken regions because I have always been very concerned with this, to my mind crucial, problem. The Russian famine of 1921 was an accident due to the breakdown of the institutions in the war, the damage wrought by the fighting, the disruption of the transport system and, above all, to an absolutely catastrophic drought that lasted several years.

► *You met Lenin and Trotsky at this time?*

— Yes I did.

► *And were they aware of the seriousness of the situation?*

— Lenin's wife was chairman of the aid committee. They were perfectly well aware of the problem.

► *Were the famines then anything like the one in, for example, Cambodia?*

— Yes, but much worse: 20 million people died in unbelievable conditions. I saw women throwing their children one after the other into burial pits and, once again, this proved to me that the abortion laws were circumstantial. The question wasn't looked at in terms of revolutionary ideology at that stage. But it was given to women who immediately got the vote.

And that is another problem. Women who got the vote came into two categories. First, there were the women who fought to get the vote, English and American women. And there were those who got the vote because of the defeat. When the new regimes wanted to see a numerical change in the electorate, they gave women the vote. That's how Russian women got the vote. Those Russian revolutionary



87 candles, 87 years old and as lively as ever

women were much more concerned with their revolution than in any change in their status.

But the disaster of the drought made it impossible to bring up a baby. There was no milk. There was nothing. People were dying in the streets. To my way of thinking it was better not to have any children, as they could not bring them up. Hence the idea of abortion.

You asked me to compare the Russian famine with the famines in Cambodia and Vietnam. But there is no comparison, because the Russian famine we were talking about wasn't the result of genocide. It was the result of a catastrophe. But the Cambodian famine was the result of deliberate genocide.

"Thank goodness for French colonization"

► *One could perhaps compare the famine in the Volga basin with the recent famine in the Sahel—they were both due to terrible drought.*

— Yes. And I should say for the Sahel, thank goodness for French colonization. Please put that on the record. Thank goodness for the French colonists. The French built irrigation systems, they dug wells and they developed

primary schools which paid off and the Sahel disasters were very limited in the past. But in the disasters in the Sahel today, you sometimes see tribes on the Senegal river refusing to let other tribes bring their cattle to drink and the wells are silted up and so are the irrigation ditches. The French made Africa a healthier place. Overall, the French colonial empire was quite an extraordinary achievement in human progress:

But the real scourge, endemic hunger, cannot be beaten by taking surplus American grain and surplus European butter and feeding distant populations at vast, unbearable cost.

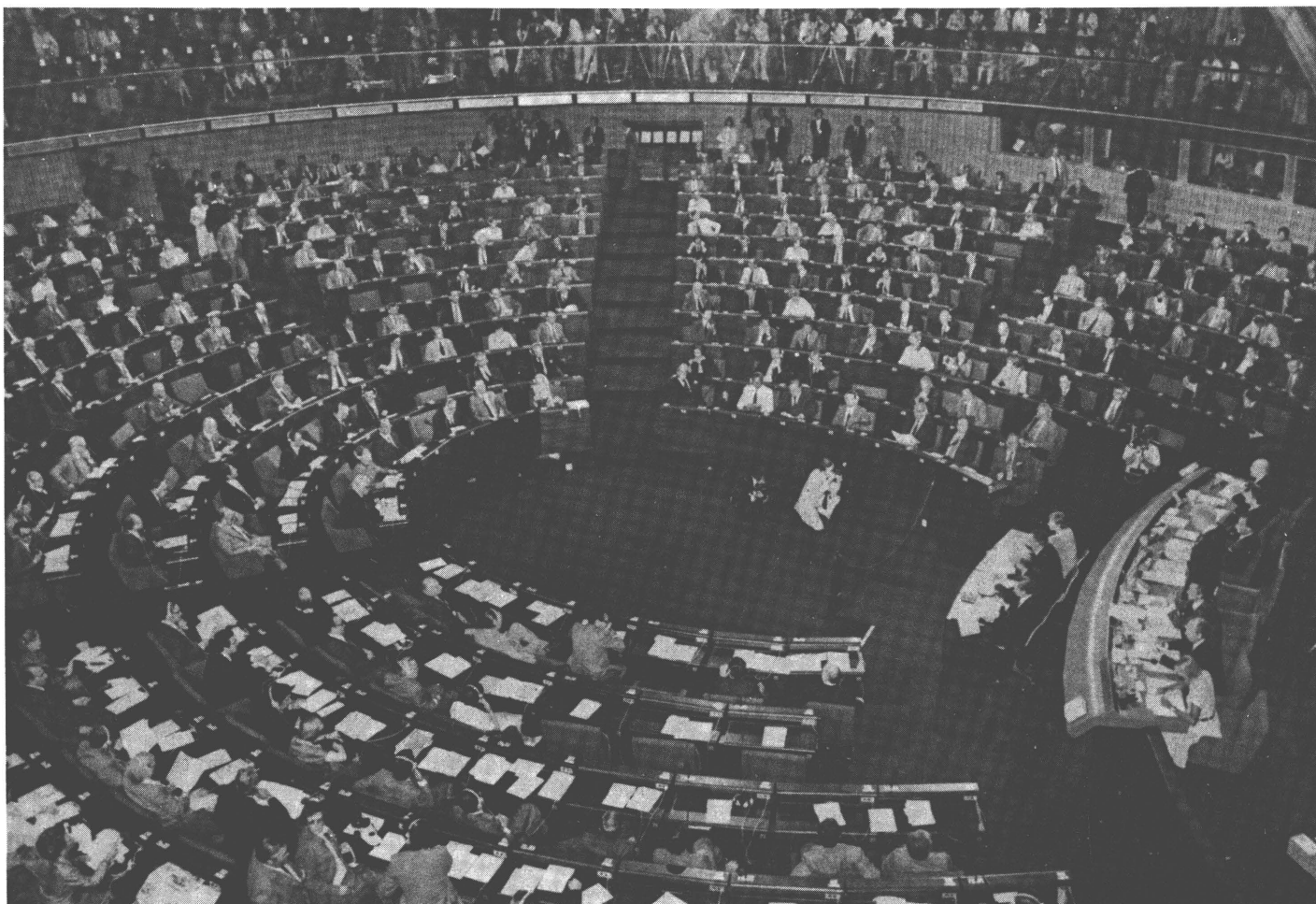
The answer may be to combine two things. On the one hand, sexual education, to prevent the runaway population increases which reduce all development efforts to nothing. I have been involved in sexual education campaigns of this kind in many countries and they are a problem.

Then you have to have agricultural education. That has to be developed and that isn't easy either. I saw some astonishing things in the 25 years of travelling that I described in *Tempête sur l'Occident*.

So, to fight against accidental famine, we must provide aid to cope with exceptional catastrophe, we must speak out against monstrous genocide, equal to the Nazi holocaust. And for the rest, the endemic famine, we have to combine sexual education with rural education.

III. The role of European culture — two proposals

► *Until recently you were on the UNESCO French national commission. And you have met many great cultural figures. You have a portrait here of Aristide Briand and you knew Edouard Herriot, Stresemann, Bertrand de Jouvenal and many others.*



The European Parliament on 18 July 1979: Louise Weiss, doyenne of the Assembly, takes the floor

— Yes I did. I remember a luncheon party around this very table, when Louis Barthou came down the stairs speaking classical Greek and André Tardieu answered him in the same language.

► *I don't think we shall be seeing anything like that again.*

— Herriot played Beethoven and competed with any artists he met... But we should be talking about culture in 1980.

► *I should like to know what you, with all your experience, think about European culture as a means of cementing the construction of Europe? Do you think that culture in Europe today has as much influence as it did at the time of the men we were just talking about?*

— This is a job I more or less took upon myself on the European Parliament cultural committee I belong to. I thought the committee on cultural affairs was more important than the one on agriculture, for example, because if you can create a real feeling of the lowest common cultural denominator that forms a common spiritual value, then you can create a climate that will enable the agricultural problems to be solved.

What is missing from the European Parliament is this notion of a lowest common denominator, a common spiritual value. You can feel it vaguely. It's the famous identity problem.

Getting a moral picture of Europe and creating a body of moral judges

► *In the fine speech you made in July 1979, at the opening ceremony of the new Parliament, you called for a European university, European orchestras and European sports associations.*

— I don't believe in local universities. I made a proposal to the cultural affairs committee because, during the electoral campaign that made us MEPs at last, I felt that the concern with Europe didn't really count in France and the UK, while in Germany and Italy, for example, people were more concerned with Europe. The general public have not been made properly aware of the idea of Europe and, basically, it was always the least of the worries of the MEPs, some of whom were young national MPs as well. That is why I think it would be very good to get children in schools to realize that they belong to Europe. So I made a proposal (Mr Coppieters is the rappor-

teur) about putting this over at all levels of primary, secondary and higher education. But the aim would always be to make people aware of the lowest common denominator that unites us all. This means asking students of all ages if they feel European and if so, why. And if not, why not. And how nationalistic and European feelings relate. To my mind this would give us a picture of the moral health of Europe, of the possibility of getting a better idea of the lowest common denominator. And the response might also be the basis for a cultural charter.

A second thing I would like to do would be to set up a body of moral judges for Europe, that is to say some sort of organization of the elite of Europe, a very small number of people, whose main job would be to pass judgement on the state of Europe every year, just as the President of the United States makes a speech on the state of the union every year. Once again, this sort of document would force Europeans to take stock of themselves, to see where the shortcomings are, to highlight the disastrous lack of unanimity on fundamental problems and to determine the areas on which we should concentrate. ○

Interview by ALAIN LACROIX

A glance at Community life⁽¹⁾

SOCIAL AFFAIRS



Retirement: time for a change of attitude

Everyone has to retire sometime. But in our work-oriented society few of us want to spend much time and energy thinking and planning for when our working lives are over.

It's true that for some older people the prospect of retirement offers a welcome release from unpleasant or stressful work, or just the long years of hard slog, a well-earned opportunity to relax, travel, or cultivate the garden.

But for many of us, it's our work which determines how we see ourselves in relation to other people and society in general. To a great extent, work gives us a sense of our individual status, merit and purpose in life. Work determines the nature and scope of our daily social contact. Retirement is a fundamental change and not everyone finds it easy to adapt to the increased leisure, loss of status and reduced income.

Our attitudes to retirement are going to become increasingly important in the years to come. The European Community's population is ageing, and with low birth rates in most member states, by 1995 pensioners will comprise more than 14% of the total population.

Economic trends, the decline in many traditional industries where a lot of older workers are employed, and current high rates of unemployment, especially

among young people, are causing many member states to introduce early retirement schemes as one way of releasing older workers from precarious jobs or long-term unemployment, or freeing jobs for younger people.

The current situation with regard to retirement varies considerably from country to country within the Community. The normal retirement age ranges from 60 for men and 55 for women in Italy to 67 for men and 62 for women in Denmark. In Germany, France, Luxembourg and the Netherlands, the normal retirement age is the same for men and women. State schemes in seven of the nine member states include provisions for early or deferred retirement.

In Belgium, men over 60 and women over 55 can request early retirement under certain conditions according to a 1976 Act of Parliament which made an earlier collective agreement between employers' and employees' organizations generally applicable. The new pensioner has to be replaced by a young unemployed worker under 30. About 52 000 early pensioners benefited from the scheme during its first three years of operation.

In January 1969 a general early retirement scheme was introduced in Denmark, whereby those over 60 can receive an immediate enhanced state pension starting at the same level as unemployment benefit and gradually reducing to the general pension level of 50% of unemployment benefit at the normal pension age of 67. During this time they can work up to 200 hours a year.

The scheme is financed by contributions from both employers and employees and has been taken up by one-third of those eligible. Prior to this there had already been provision for early retirement on social or health grounds, and for deferment beyond 67.

In Germany, people have been able to choose to draw their pension between 63 and 67 since new pension laws came into effect in 1973. Early retirement is available in restricted circumstances. The changes were introduced on social grounds.

The general retirement age in France is 60, with early pensions available in certain cases to people with minimum contributions to social security. There is also the possibility of deferment.

A recent report by a French Ministry of Labour working party advocated a flexible approach to retirement rather than the general introduction of a lower pension age. Hours of work could be gradually reduced over the years immediately preceding retirement with any fall in income being partially compensated for out of pension rights. Voluntary partial retirement could be encouraged by adjusting the pension scales to give wage-earners a genuine choice between earlier or later retirement.

In Italy, early retirement takes the form of a seniority pension payable to people with 35 years of social security contributions and women can defer their pension to the age of 60.

Early retirement is also available in Luxembourg, but there is no provision for deferment. In the Netherlands there are collective schemes for early retirement. The general pension age in Ireland is 65 for men and 60 for women. There are no provisions for early retirement or deferment.

In the United Kingdom, pensions can be deferred, and though state schemes do not provide for early retirement, occupational schemes do, and so, in a selective way, does the Job Release Scheme, which applies to certain people who retire early and are replaced within the firm by an unemployed person. The scheme is reckoned to have reduced unemployment by 70 000.

With national situations differing so widely, no harmonization at a Community level is at present envisaged. However, in the context of discussion on work-sharing, over the past few years economic experts in the European Commission have prepared technical studies on the economic implications of early retirement.

Following a resolution adopted by the Council of Ministers at the end of last year, the social affairs directorate of the Commission has been asked to present a specific communication on flexible retirement as a method of reducing working time.

Discussions are only at a general level so far, and nothing has yet been decided by the Commission. A survey of 9 000 people in the Community is examining people's attitudes to flexible and gradual retirement, and studies are underway to get a detailed picture of

(1) Extracts reproduced from *Euroforum*.

the situation in all member states, especially as regards costs. Other technical studies are also concerned with cost aspects and one is a special study of the Swedish system of gradual retirement which the present Danish system resembles. Suggested guidelines for Community action are expected to go before the Standing Committee on Employment for consideration when it next meets in the autumn.

munity countries to coordinate the thinking and action of the Catholic hierarchies on matters of common religious, moral and social concern arising from the process of European integration.

The Committee chairman is a German, the secretary-general is French and the vice-chairmen are from Luxembourg and Ireland. The secretariat is based in Brussels and will work closely with the independent Catholic European Study and Information Centre (OCIEP).

OCIEP has been keeping an eye on European affairs for the past 24 years, with offices in Strasbourg and Brussels.

It has the aim of informing and educating Christians about European problems and making Christian views known to the European institutions. It publishes a French and German periodical and takes part in and organizes conferences for a wide range of participants on issues like direct elections to the European Parliament, the renewal of the Lomé Convention, enlargement of the European Community to include Greece, Spain and Portugal, and the limits to economic growth.

Members of the Anglican and Protestant churches have also been taking a lively interest in Community affairs. The Commission of Churches to the European Communities brings together members of the British Council of Churches and the Church of England, the German Evangelical Church, the Federation of Protestant Churches in Belgium, the Federation of Evangelical Churches in Italy and the Dutch Reformed Churches.

Representatives meet regularly to discuss European problems and one of the main activities is running an Ecumenical Centre for Church and Society in Brussels. This Centre aims to 'build up an overall perspective of a European society with a human face and to represent this perspective to those politically responsible'.

It acts as a clearing house for the exchange of information between Community institutions and the churches in the member states and publishes an information bulletin in four languages. At a more personal level, it organizes prayer meetings and other activities in the European Commission and tries to develop a consciousness of social and Third World problems amongst Community officials. It monitors international work being done in Brussels and coordinates working groups on social and economic problems affecting Europe and the outside world.

One of these is a Joint Task Force with the Catholics on development issues. This group is concerned particularly with Third World development and hopes to improve Europeans' knowledge about the issues involved.

Through contacts with experts in developing countries, especially the African, Caribbean and Pacific countries linked to the Community through the Lomé Convention, it hopes Europe can avoid 'falling into the historic trap of paternalistically deciding what is good for the rest of the world'.

During negotiations for renewal of the Lomé Convention last year, the group organized seminars for participants from Europe and the Third World on subjects like industrial cooperation, and produced critical position papers on the Convention which it distributed to government ministers, Community and ACP officials and church leaders. The group also plans to have close contacts with the Development committee of the European Parliament.

Another area of particular interest to the churches is the welfare of migrant workers. The World Council of Churches supports a Churches Committee on Migrant Workers which is based in Brussels with the aim of keeping member churches informed about migration in Europe and encouraging action to safeguard migrants' rights and try and solve their problems. As well as arranging seminars, the committee has close contacts with Community officials, trade unions, employers' and migrant workers' associations, and has published a series of studies on different aspects of the problem.

In addition to these joint efforts, some individual sects have set up their own offices in Brussels to inform their members about what is going on and help to bring a spiritual influence to bear on Community affairs.

The Religious Society of Friends (Quakers) for instance, with their tradition of pacifism and social concern, have recently established a Quaker Council for European Affairs and appointed two Quaker representatives to Brussels who work closely with the other churches but also follow up their special interests and publish their own European newsletter.

What all these groups have in common is a recognition of the extent of the European Community's influence, both because of its wealth in world terms and its economic power. This influence extends not just into the everyday lives of Community citizens, but far beyond its boundaries. It can and must, say the churches, be used for good.

CHURCHES

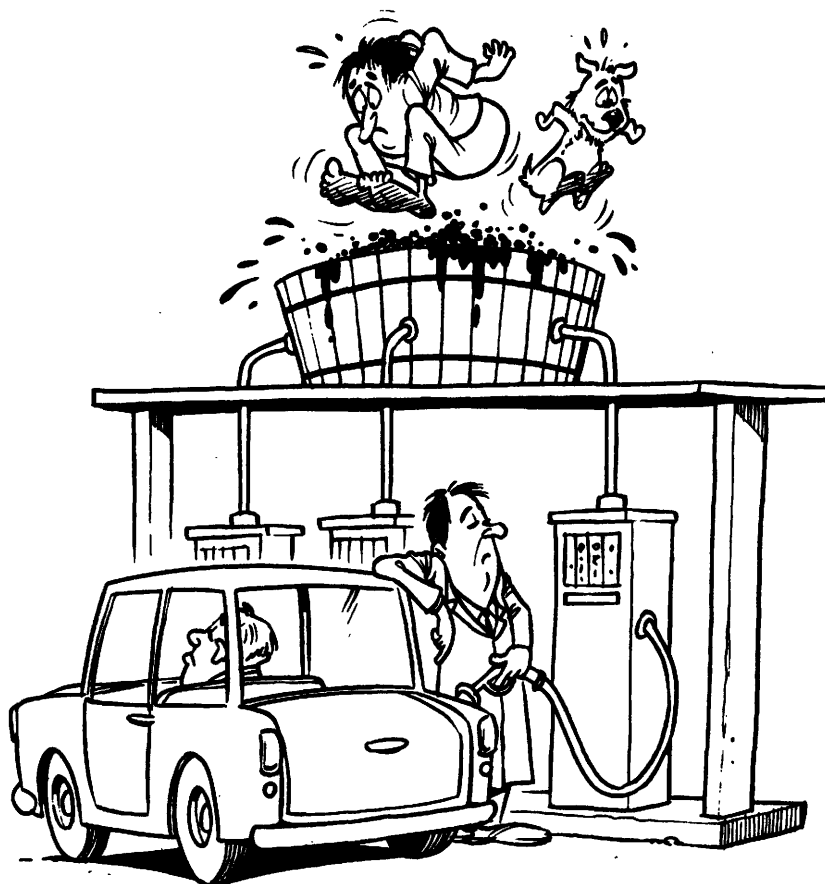


Churches displaying wider interest in the Community

What has God got to do with the European Community? Quite a lot, according to the churches. They claim there are social and moral aspects to almost all Community activities these days, whether it's the problems of migrant workers or people living in poverty, unemployment, equality between the sexes or relations with the Third World.

To keep a finger on the pulse of Community affairs, several church groups have, like many other charitable and non-governmental organizations, started committees on European affairs and opened offices in Brussels.

One of the most recent is the Commission of European Episcopal Conferences—Comece—set up by the Catholic bishops from the nine Com-



Alternative sources: does the answer lie in the soil?

With little possibility of the energy crisis abating, experts throughout the world are busily trying to discover alternative sources of energy, particularly sources which would be economical relative to the cost of imported oil.

In the European Community, various experiments are being carried out, many of them with the backing of Community funds, into the possibilities of developing nuclear capacity and in harnessing the energy of wave, tide, wind and sun.

A further source of energy could be certain agricultural produce, and some countries, notably Brazil and the United States, as well as France and Italy within the Community, have been carrying out studies to explore their potential.

One member of the European Parliament, Mr James Scott-Hopkins, who is leader of the European Democrats Group, thinks this is eminently sensible. In particular, he is interested in seeing some of the Community's surplus farm produce used to provide an alternative source of fuel to oil.

Mr Scott-Hopkins recently asked the

European Commission to calculate what quantities of alcohol suitable for use as fuel, either as an additive for petrol or in specially-adapted power stations, could be derived from the Community's own surpluses of wine, sugar and other produce as well as from sugar produced in the Lomé countries which is admitted to the Community at a preferential rate.

He also wanted to know how the cost of producing this alcohol would compare with the cost of producing petrol, as well as what the Community could save on dear imported oil.

In addition, Mr Scott-Hopkins wanted to know how much it would cost to subsidize alcohol produced from sugar and wine, either by direct subsidies to oil companies or by cutting petrol taxes, compared with the present costs of disposing of surplus wine and sugar.

On the face of it, an attractive idea, particularly as the average surpluses from Community sugar production are of the order of 1.2 million tonnes a year and wine production last year was expected to exceed consumption by around 24 million hectolitres, the equivalent of about 2 million tonnes.

However, as the Commission demonstrated with its calculations, the idea is not as practicable as it may seem.

Firstly, how much alcohol would actually be obtained from wine and sugar surpluses? If we take the average wine surplus over recent years and converted it, we would get around 50 000 tonnes of alcohol. The figure for sugar is 770 000 tonnes.

Sugar imported from outside the Community at preferential rates would yield a further 830 000 tonnes, giving a total of 1.6 million tonnes.

Since the calorific power of this alcohol is roughly two-thirds that of petrol, this means that, as a fuel, one tonne of alcohol is roughly equivalent to 0.7 tonnes of petrol.

Based on these calculations, the amount of alcohol that we could hope to obtain from wine and sugar surpluses would represent only 0.24% of overall oil imports into the Community in 1978.

A further problem arises with the comparative cost of converting wine and sugar into alcohol. At the present level of agricultural prices, neither could at the moment compete with petrol.

The cost of producing a litre of alcohol from wine would be about £ 1 and from sugar beet between 28p and 34p. By comparison, the cost of high-grade petrol in the Community last August was, before tax, between 10p and 14p depending on the country.

The subsidies which would be necessary if alcohol obtained from agricultural surpluses were to be used as a fuel would have to be the equivalent of the difference between the cost of producing this alcohol and the cost of petrol before tax.

This means that the subsidy for wine would have to be around 96p per litre, and for sugar beet 26p. In comparison, current subsidies for the distillation of surplus wine work out at around 34p per litre of alcohol and the refund on the exporting of sugar—to compensate exporters for the lower price obtainable outside the Community—is the equivalent of 20p per litre.

A further problem posed by the possible use of alcohol derived from wine and sugar as a substitute for oil products is the unreliability of supply because of unpredictable harvests. For example, there was a bumper wine harvest of around 150 million hectolitres last year, compared with 132 million hl in 1978 and 128 million hl in 1977.

Nevertheless, the Commission is following developments around the world very closely. It is also financing feasibility studies in a number of countries—for example, Sudan and Upper Volta—on the use of local agricultural raw materials or their sub-products to produce alcohol.

Many other developing countries, particularly those which are signatories with the Community of the Lomé Convention, have shown interest in these projects and talks are underway with some of them which could lead to an extension of this research.

In the meantime, it looks as though we will have to continue to pay the asking price for our oil and drown our sorrows with surplus wine or sweetened tea.

Wanted: Ideas on making the best use of the sun

The European Commission is offering prizes totalling around £ 15 750 to designers of housing making the best use of the sun's powers for heat and light.

In an open letter to competitors, energy commissioner Guido Brunner says that new ideas for using the sun, whether in new or rehabilitated houses, will make a valuable contribution towards reducing the Community's dependence on fossil fuels.

The Commission hopes the competition will be especially attractive to younger architects and engineers and will stimulate interest in housing taking advantage of the climate through what is called 'passive solar design'.

Nine prizes are being offered in three categories: multi-storey housing, clustered housing and single dwellings.

Top prize money of around £ 3 000 will be awarded for best designs in the first two categories.

The closing date is the end of August and the prize winners should be announced in September.

Enquiries about entry forms and conditions of the competition should be directed to the following address: Ralph Lebens Associates, 8 Paddington Street, London W1.

The Commission has just approved Mr Brunner's proposal to provide almost £ 2 million for 10 more projects in the member states to demonstrate the usefulness of solar power.

These represent a second series of demonstration projects. A first series of 16 projects was selected in December 1978 at around the same cost.

The Commission can provide finance for solar power projects designed to prove their worth on an industrial basis, and its financial aid can be up to 40% of total costs. The aim of the programme is to encourage the development of energy sources alternative to oil and thus to reduce the Community's dependence on oil imports.

The 10 projects now selected are sited in Italy, Belgium, the United King-

dom, France and Germany. They include solar energy systems for houses, farms, swimming pools, a school and an electric car.

CONSUMERS

Another angle on what it costs to top up your tank

Most of us these days dread calling into a petrol station. If you want to fill your tank you can become dizzy watching the digits totting up the damage.

In Euroforum 1/80 we showed that, while this is a burden all drivers must bear, some are less put upon than others. In terms of the retail price of petrol, we found that the Luxembourgers paid least and the Danes most.

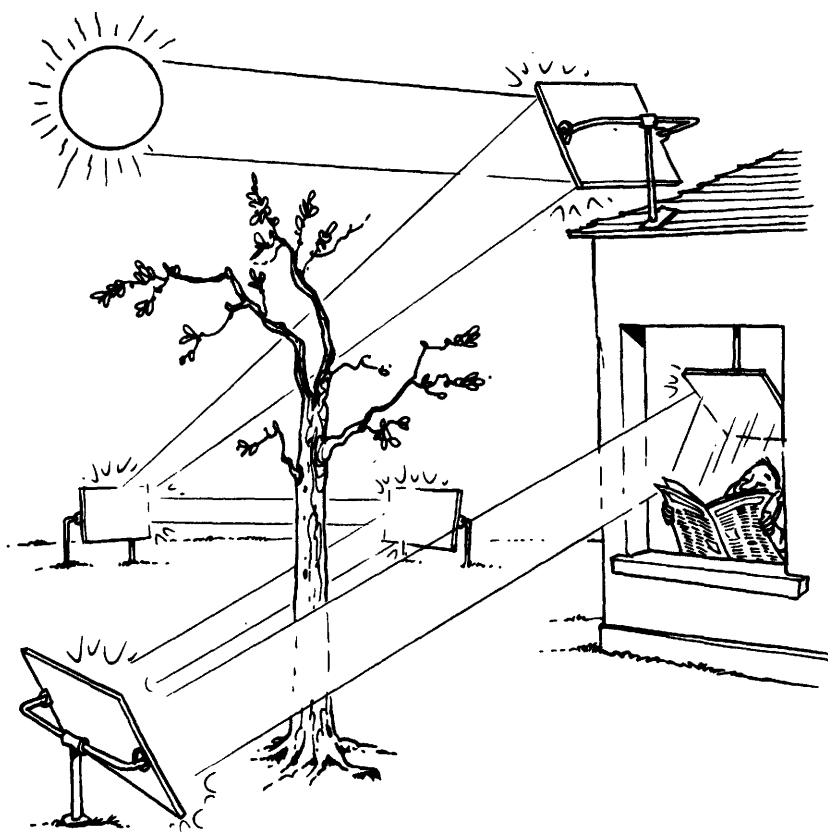
Now, the European Commission has gone a little deeper into the subject and, in an effort to establish how petrol prices relate to real income, it has drawn up a comparison between the nine member states of how long it takes the average worker to earn the price of a litre of petrol.

The Commission's research, which was carried out at the behest of a member of the European Parliament, British Conservative Robert Jackson, shows that the Luxembourgers are still best off. However, because of their high salaries, the Danes are not far behind them, paying comparatively less than drivers in the other seven countries.

Our table shows the number of minutes (') and seconds (") needed to buy one litre of fuel in the three categories of petrol. These figures are based on average hourly earnings of manual workers in manufacturing industries in October 1979 and prices of motor fuels at the pump on 1 January 1980.

However, the Commission points out that there are considerable differences in the relative levels of hourly earnings between the member states. These are due in particular to the varying composition of the different national labour forces—the breakdown by sex, age, skill and so on—different fiscal and social protection systems, and the different proportions of average gross earnings versus total net family income.

If it's any consolation, therefore, these figures should be interpreted with caution.



Average time spent earning the price of one litre of petrol

| Country | Situation at end of 1979 | | |
|----------------|--------------------------|--------------------|----------------------|
| | Type of fuel | | |
| | super (4 star) | normal (2 star) | diesel (D.E.R.V.) |
| Germany | 5'17" | 5'2" | 5'14" |
| France | 10'5" | 9'26" | 6'51" |
| Italy | 10'41" | 10'20" | 4'19" |
| Netherlands | 6'0" | 5'52" | 3'57" |
| Belgium | 6'16" | 6'9" | 4'1" |
| Luxembourg | 4'24" | 4'17" | 2'46" |
| United Kingdom | 7'36" | 7'28" | 8'3" |
| Ireland | 7'58" | 7'48" | 6'20" |
| Denmark | 5'7" | 5'2" | 3'5" |

veries. The laws controlling these are the responsibility of the national governments of the nine member states. But these laws must conform to certain regulations set forth by the Community itself.

The rumour which was circulated some years ago that the Community was going to impose a standard Eurobeer on its consumers was never contemplated. The Community never intended to create a Eurobeer where the formula, process, bottling and packaging would be controlled by rigid common standards. The Community feels the unique characteristics of each beer brewed in the Nine must be safeguarded. This is the basic aim of Community regulations concerning beer.

What the Community has done is simply to adopt certain regulations governing the hygienic standards of beers and their production, the movement of beers across borders, and certain marketing rules.

BEER

Keeping alive a European tradition

When John the Fearless, Duke of Burgundy and Count of Flanders, conferred 'The Order of the Hop' on some Flemings more than five centuries ago, little did he dream what an essential part of the European Community that little cone-shaped flower would one day become.

Nor, in all probability, did he realize that the order would exist to this day—an order which he founded in 1402 to appease the restless Flemings from stirring up troubles in the County of Flanders and to link Flanders more closely to the French crown.

Then as now, hops were used in the Low Countries as one of the main ingredients for making beer. In fact, the first known use of that flower in beer-making—the female species to be exact—was introduced in the areas of Bruges and Ghent between 1250 and 1300 by monks who, besides their religious duties, spent their time farming and experimenting in wines and other beverages.

History has it that the Low Countries were responsible for the introduction of hops to England during that medieval period. Hops were also used in various medicines, and still are to a much lesser extent today.

But the use of hops is as indispensable in beer-making today as grapes are to winemaking. And today, as in the days of John the Fearless, recognition comes to those who serve. The International Growers' Convention, which is now the seat of 'The Order of the Hop', reverently distributes the distinction to those who perform outstanding service to the hops industry.

Formulae for beer making in the European Community are the closely-guarded secrets of the individual bre-

The role of beer in everyday life in the Nine is so important that the European Commission has two highly qualified experts scrutinizing the beer industry from its raw materials stage through its processing to final marketing. One of the experts is a human encyclopedia on the growing and utilization of hops. (He, too, is a Knight of the Order of the Hop).

Despite the surplus of wines in the Community, beer continues to retain its magic grip on a large number of consumers. This is seen in the number of



breweries currently working at full capacity to satisfy the thirsty demand.

Germany alone has 1 447 breweries, followed by Belgium with 150, and the UK with 143. France has 73, Italy 31, Denmark 25, the Netherlands 21, Ireland 7 and tiny Luxembourg 6.

Germans are also the biggest beer drinkers in the Community, followed at some distance by the British, and much farther behind by the French.

Both beer production and consumption have been increasing in recent years in the Community, and little wonder. Besides beer's capacity to replace body moistures and body-building proteins spent during a hard day's work, it also induces a feeling of well-being. This calming effect derives from that major ingredient the hop, which not only provides the bitterness to the beer's flavour, but also lends a soporific value to the brew. This tendency to provoke drowsiness is a characteristic of the hop known for centuries.

Peasants in medieval times made pillows bursting with hops to help induce sleep by their strong aroma.

So, here's to the humble hop!

ENGLISH COOKING

Tickling our taste buds with Euro-recipes

British Tories and their allies who form the European Democrats group at the European Parliament have proved wrong the old adage that too many cooks spoil the broth.

Their culinary contributions to a Euro-Cook Book, compiled by Geraldine Scott-Hopkins, wife of the leader of the European Democrats, are selling like hot cakes.

Although the range of dishes swings from the skimpy (nettle soup) to the sumptuous (venison in cherry sauce), the bulk of recipes typifies what people think the Tories, a traditionally well-heeled party, eat.

The Euro-Cook Book features such delicacies as cream, squid à la portugaise, roast woodcock, wild pig, pheasant steamed in sherry, chocolate chestnut soufflé and black sherry pavlova.

However, it is possible to uncover the odd down-to-earth contribution from the MEPs.



MEP for Liverpool Gloria Hooper enters her local delicacy, 'scouse', to be served with a pint of beer, chunk of bread and lump of cheese. The ingredients are neck of mutton (any quantity), at least two potatoes, tomato purée, onions, any root vegetable, herbs and seasoning.

Miss Hooper recommends simmering this stew for 'at least two years (or should that be hours?) and after that indefinitely!'

Lord Harmer-Nicholls includes 'Shin of Joy as Mother made it'. His method is to cut the shin of beef into half inch squares—put it into a 'stew jar' with sliced onion and a small portion of pearl barley—sprinkle pepper to taste—add water to the level of meat in 'jar' and cook in the oven for at least eight hours.

Regional specialities are close to the hearts and stomachs of some Conservative Euro-MPs. William Hopper donates his recipe for Lancashire hot pot; Adam Fergusson includes rich Scot's pudding; Beata Brookes has a recipe for bara brith, a Welsh favourite; and John Taylor from Northern Ireland offers Ulster potato bread.

A cure for a hangover comes from Dr Alec Sherlock. Called an 'eye-opener', the ingredients are one pickled walnut, one dessert spoon of Bisto, one table-spoon Worcester sauce, two table-spoons mushroom ketchup and a half pint of stock.

Here's how you make it. You crush the walnut into a paste and combine with the Bisto. Work into a cream with the Worcester sauce and ketchup. Add the stock and bring to the boil.

Dr Sherlock says: 'In East Anglian cottages this is served at breakfast on Sunday morning with meaty sausage and hardfried bread. It is certain to cut

through the mists of Saturday night's excellent beer'.

One would imagine the Tory Euro-MPs to have excessive waistlines, judging by some recipes in which the foremost ingredient is cream. But this is not necessarily the case.

Sir Brandon Rhys Williams includes two such recipes but a colleague of his described him as 'positively skeletal!'

Sir Brandon's 'Sidcup starters' consists of double cream, bread and butter and anchovy essence. And his 'Penge binge'—one pineapple, apricot jam and dollops of firmly whisked double cream.

Humour manages to creep in among the pages. Robert Moreland admits that the only drawback to his recipe for Staffordshire 'raspberry delight' is that the final colour is 'rather socialist'.

The ingredients are a tin of raspberries, a small carton of double cream, and a small carton of plain yoghurt. Place the lot in a food mixer and pour the result into a basin and serve, says Mr Moreland. Alternatively, pour it over raspberry ice cream and garnish with grated nuts.

Sir Henry Plumb uses a play on words and donates his version of Christmas plum pudding.

The final entry is for a Parliamentary pie, invented by Andrew Pearce, which serves three people—or one and a half politicians'.

The Euro-Cook Book, price £ 1.50, was compiled to raise money to give financial support to the party's constituency agents.

A flavoursome idea. Perhaps other parties in the European Parliament will follow suit and help diversify our culinary tastes. The *Courier* promises to publish the results. ○

Books about Europe

Peter EBSORTH — Europe, A Socialist Strategy — Preface by Roy Jenkins — EUSPB 1 Buccleuch Place, Edinburgh — 234 pages — £ 2.75 — 1979

This work contains essays on a socialist strategy for Europe, written by 11 members of the Young European Left (YEL), an organization of young British Labour Party members who although critical of many aspects of the EEC, nevertheless accept it as the only political structure for European integration which exists. The first part deals with the British Labour Party's attitude in the European elections. As Lord Thomson of Monifieth wrote in the introduction: "The contrast between the antipathy of the British Labour Party towards any meaningful involvement with the European Parliament and the constructive attitude of the other socialist parties is particularly depressing".

The second part analyses the socialist approach to questions which will be discussed in the European Parliament: policy in the agricultural, regional and social fields, monetary union, second enlargement, multinational companies, trade and external relations, Third World.

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John N. KINNAS — The Politics of Association in Europe — "Special Studies" Collection — Campus Verlag (Schumannstrasse 65, D 6000 Frankfurt 1) — 112 pages — 1979

The basic theme of this monograph by the Greek professor Kinnas are the political as well as economic implications of associative relations within Europe, particularly regarding the processes of European integration.

He examines the Community association system (especially with Great Britain, Greece and Turkey), but also that of the Council of Europe, Finland with EFTA and Yugoslavia with COMECON.

His conclusions regarding the association system are very positive, for he considers that this unique institution encourages the integration process while keeping other dimensions between the partners separate.

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Vera SQUARCIALUPI — Donne in Europa (Women in Europe) Riuniti (Roma) — 271 pages — 4.800 lira — 1979

The author, an Italian senator, member of the European Parliament and journalist, described the road 132 million European women have been travelling for 20 years.

Vera Squarcialupi recognises that the Community has done much to change the female lot, but she also says that many important decisions taken by the Community have shown poor results.

Starting with the legal situation of women, the author discusses various aspects of the problems facing women: women being "more jobless than with jobs"; poor education opportunities; little guidance, and still less occupational training; the social role of maternity, and finally "emigration, the tenth Community state". In a chapter on the European social fund, she criticises Italy, of all the member countries, for least using the fund to the benefit of women.

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Louis CARTOU — Communautés Européennes (European Communities) — Editions Dalloz, 11 rue Soufflot, 75240 Paris Cedex 05 — 670 pages — 1979

Dalloz has a sound reputation for producing legal works that provide a comprehensive survey of given themes. This book, on the Community, is no exception. It deals first with the European tradition from antiquity to modern times and issues such as the supranationality problem and then goes on, in the main body of the work, to cover three aspects of the Community.

Part one, on institutional law in the Community, relates the history of the Community, analyses Community structures, presents the various political institutions and how they work, explains the Community legal system and describes the financial institutions, their resources and methods of intervention.

Part two, on economic law in the Community, deals with the free movement of persons and goods, competi-

tion and tax policy. Here, Cartou also deals with the common agricultural policy and the Community's industrial policy and there are special chapters on the ECSC, Euratom, the energy policy, economic and monetary union and regional policy.

The last section is on external relations, for, as the author says, "the European Communities must not just be viewed from within".

They have developed a common policy towards countries on the outside and this is increasingly important, whether it deals with relations with the USA or with ties with the ex-AASM, now the ACP countries.

The Community's various cooperation agreements are dealt with in turn and their contents outlined in this last section.

This is an extremely detailed work of reference but although it runs to 670 pages, it is easy to handle as it is printed on thin paper and the small format makes it simple to consult. It has the added advantage of a thorough bibliography.

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Peter FRAENKEL — The Power Guide — Intermediate Technology Publications Ltd, 9 King Street, London WC2E 6PHN — 240 pp. — £ 7.50 — 1979

Subtitled "a catalogue of small scale power equipment", this hefty paperback from the Intermediate Technology Development Group is an illustrated book of engines, plus some general observations and lists of addresses of makers and suppliers. Technological organizations likely to be useful in this field are also listed.

A maximum of vital statistics are packed into 140 pages or so of motors, generators and other energy converters which were available and as described by the manufacturers at the time of going to press.

More than 350 firms are listed, mostly in Europe and the USA, and the machines are catalogued according to energy source — solar, wind, water, biomass and thermal, internal combustion, external combustion and electricity generation.

The oil crisis and the ITDG's particular interests have naturally influenced the range of equipment; if it is no surprise to find the alternative energy machines (solar, etc.) to the fore, it may be to come across steam engines — and yet the improvement of pre-petrol engines is an obvious way to prepare for a post-petrol age.

Mr. Fraenkel's catalogue, however, is practical, not philosophical, and anyone in search of power equipment will find it a most useful guide to the sort of hardware currently on offer.

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Community handbook for students
— Commission of the European Community — 1979 edition

Following the widespread interest created by the first edition of the European Community's Handbook for Students in 1977, the Commission has now published the 1979 revised edition in collaboration with member states.

In a foreword, Guido Brunner, the commissioner responsible for education, says the purpose of the handbook is to assist students who wish to pursue their higher education in another Community country. He hopes students will find it a helpful practical guide.

This second edition comprises 50 000 copies in all Community languages, more than double the size of the first edition.

The handbook, edited by Dr Manfred Stassen of the Deutschen Akademischen Austauschdienst (DAAD) on the basis of material provided by national correspondents from each of the member states, contains an entry for each of the member states of the Community.

Each entry consists of two main sections, a descriptive text and an appendix. The text gives general information on the structure of the higher education system, its institutions and the types of qualifications obtainable. It also summarizes admission conditions and application procedures, and provides details of fees, language requirements and grants as well as an indication of important social elements such as social security, counselling and accommodation.

The appendix to each country entry contains a list of addresses of organizations and institutions from which further information and/or application forms may be obtained.

An annotated bibliography of national information material is provided with, in most cases, a table of subjects taught at each institution, and a glossary per national entry for the explanation of terms that have not been translated.

In addition to the national entries the handbook contains separate entries for the College of Europe at Bruges and the European University Institute at Florence.

The handbook is being distributed widely to institutions of higher education and to organizations promoting student exchange in such numbers as should make it readily available for consultation by students and by their advisers. Copies are on sale through the normal sales offices of the European Community.

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Valentine HERMAN and Rinus VAN SCHENDELEN — **The European Parliament and the National Parliaments** — Saxon House, Teakfield Limited, Farnborough, Hants, England — 304 pages — 870 BF — 1979

Given the political climate under which it came into being, the founding fathers of the European Community could hardly have thought of its political union as a serious possibility. That it became a burning debating issue scarcely a decade afterwards, is, no doubt, a measure of the confidence that grew as a result of the association. War at least has been replaced with peace and economic prosperity. But can political union still be considered even as a distant goal?

The direct election of the European Parliament in June 1979 provided the barometer for gauging feelings in the member states. Suspicion was rife, concerted anti-common market campaigns were waged by fiercely nationalistic elements and nowhere was this so apparent as in the newest member states, particularly in the United Kingdom.

One might argue that being new to the Community, Denmark, Ireland and

the UK have not yet had time to adapt to it or break the confidence barrier that close association of this kind normally brings in its wake.

No concession has been made to the directly elected Parliament though. It has no sovereignty over national parliaments and, apart from its budgetary powers and capacity to exert pressure on the EEC and its institutions, it has no control *per se* over Community matters.

A year before the election the European consortium for political research held a workshop at the University of Grenoble on the "changing patterns of relations between the national parliaments and the European Parliament". This book is based on papers presented at the workshop.

It examines the changes since the 1973 enlargement of the Community and the expansion of the European Parliament budgetary powers. It also gives case studies of four national parliaments and their relations with the European Parliament.

The authors make no judgments or predictions. These are left to the readers.

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Norbert VANHOVE & Leo H. KLAASSEN — **Regional Policy: A European Approach** — Gower Publishing Co Ltd, 1, Westmead, Farnborough Hants GU14 7RU, England — 488 pages — \$ 33.50 — 1980

Rejecting any facile approach, the authors, Norbert Vanhove of the College of Europe in Bruges and Leo H. Klaassen of the Dutch Economics Institute in Rotterdam, provide a summary of regional policy in the Community as a whole and the individual countries.

They look at the guiding tenets of regional policy, regional differences, trends in business location, the growth of towns, the instruments of the EEC regional policy, and mobility and migration. The last chapter deals with Community policy. In conclusion the authors state that, if well carried out, EEC regional policy could bring about a more just, more human European Community. ○

The Europeans and their children

A survey carried out in the nine member countries of the Community during the International Year of the Child

The Commission's directorate-general for employment and social affairs is publishing the results of a sample survey carried out in April 1979 on representative samples of the population of 15 and over.

The survey covered, in particular:

- material and practical problems in bringing up children;
- time at work, time with the family and child-minding arrangements;
- attitudes to and problems encountered in respect of schooling;
- attitudes to the child, its upbringing and its place in society.

In analysing the results the population was divided in such a way that the answers from "present parents", meaning those having a least one child in the home, were distinguished from the other answers (from "ex-parents" and non-parents").

Flexible time-table favours family life

The most interesting results of the survey, as set out in the conclusions, are the following:

1. It is the largest families (more than two or three children) which have the hardest material problems to cope with (income, housing) and the largest families are to be found among those with relatively low incomes.

2. Two parents out of three find that they do not spend enough time with their children. Shorter daily working hours are accepted as the best way of reducing working time rather than less working days per week or longer annual holidays. The trend towards "flexitime" is generally regarded as a definite aid to family life. Moreover, the possibility of "parental leave", even unpaid, for two years, a year or even only six months, was thought to be worthwhile by the majority of parents questioned.

3. The survey clearly revealed that most parents felt that it was important that their children should have the opportunity to study further than they themselves had. But one parent out of

five said that one of their children had had to cut short his or her studies, or might have to do so. The reasons most commonly given were financial; poor exam results or a dislike for school were cited less often.

4. The tendency to limit the ideal size of the family runs parallel with the importance still attached to the family: two thirds of those questioned agreed that parenthood was the ultimate fulfilment of men and women. The same number felt that to bring a child into the world showed faith in the future. But it is significant that a good quarter of men and women in the Community categorically or moderately disagree with the idea that parenthood is necessary for the fulfilment of the individual. The proportion is much greater among the under-40s, and particularly among those who have had an advanced education, especially women.

Furthermore, more than half refuse to believe that the future of society is too uncertain to run the risk of bringing children into the world, thereby countering the opposite opinion of a large minority— which is all the stronger among the lesser educated and the less well-off.

The fact that two thirds of the Europeans interviewed, including those with children to bring up, suggest that two children (59%) or even one (7%) child is the ideal family in their respective countries, is no doubt the reflection of a dual aspiration—to the value of family life on the one hand and wellbeing, quality of life and the future on the other, for the subject and his/her children.

In fact, in spite of their many difficulties, it is not the parents of large families who are in favour of small ones. Quite the contrary, the majority of people in their case are in favour of families of at least three children. It is the parents of small families and, generally speaking, those Europeans who are most likely to have children (i.e. the 25-40s) who have the greatest tendency to say that two is the ideal number of children. It is the parents of the previous generation, or men and women well past 50 and potential



parenthood, who least often suggest that families should contain three or more children.

The national variations on these points are strong and sometimes contradictory or difficult to interpret:

The French and the Italians are the most pessimistic

The ideal number of children per family is an average of 3.6 in Ireland, almost 2.5 in France and it oscillates between 2.1 and 2.3 elsewhere, with the exception of Germany where it drops right down to 1.95.

Furthermore, France and Italy are the only countries in the Community where the majority feel that the future is too uncertain to run the risk of bringing children into the world. Yet France and Italy are the countries where there is the greatest agreement as to the fulfilling nature of parenthood. In other words, although they assess the ideal size of the family in fairly different ways (the average for France is 2.46 but for Italy only 2.11), these two countries stand apart from their European neighbours in their greater tendency to attribute the falling birth rate to modern society and a lack of faith in the future.

However, the reader must take care not to dramatize all the difficulties, worries and criticisms that the people of Europe mention in connexion with their way of life, their methods of upbringing and the social environment in which the children are growing up. Although particular attention should be paid to the feelings of dissatisfaction or unease observed in most low-income households and large families, there is nevertheless a general undercurrent of personal satisfaction, or relative happiness at least. This is expressed by seven or eight Europeans out of 10, by a large majority of "non-parents" and by parents of large and small families alike. ○

THE CONVENTION AT WORK

NAIROBI

ACP-EEC Council of Ministers meeting

The fifth session of the Council was held in Nairobi, capital of Kenya, on 8-9 May, slightly more than a year after the Freeport (Bahamas) session of March 1979. Those 14 months were eventful. Lomé II was negotiated and signed, UNCTAD V and UNIDO III failed and Lomé I came to an end, so Nairobi was a crucial meeting.

There were two aims—to take stock of Lomé I and, with the experience thus gained, ensure that Lomé II did not come up against the same problems. This accounted for the exceptionally long agenda for the joint council (the ACP Council had an even longer one which the delegates were unable to get through—see insert).

And there was only a day and a half for the ministers to look at all the items, because the other half day was spent informally discussing the North-South dialogue in view of the UN session on it due in 1981. So many items had to be sent to the ACP-EEC Committee of Ambassadors for more thorough examination. The Nairobi Council, officially opened by President Daniel Arap Moi of Kenya, was chaired by Noel Levi, Papua New Guinea's foreign minister and chairman in office of the ACP Council of Ministers. Emilio Colombo, the Italian foreign minister, was co-chairman on the European side and the EEC Commission was represented by Claude Cheysson.

Easy agreement on some things...

Many of the items on the agenda went through smoothly, Zimbabwe's application to join the Lomé Convention among them. The ACP Council of Ministers had already welcomed that country to the ACP group and there was general agreement that the delegation, led by deputy PM Simon Luzenda and including minister D. Smith, should come to the Council meeting as an observer.

Other trouble-free resolutions were the amendment of the list of least-developed countries (St Lucia and Kiribati were added), the raising of the ceiling for microprojects by 5 million EUA, the text on health investments and water supplies and the transitional measures covering ACP-EEC relations until the entry into effect of Lomé II.

This latter question had already been the subject of thorough discussion at the ACP-EEC Committee of Ambassadors and the Nairobi meeting easily reached agreement on the internal implementation measures. The Community also agreed to the ACP request for early application of the Lomé II provisions on the safeguard clause and the consultation procedures. This was only the remaining difficulty as far as that item on the agenda was concerned.

Also in the yellow pages

The Convention at work

- III. Programming missions
- IV. EDF projects
- VI. CAR: Mr Le Boudier in Brussels
- IX. Cameroon: delegation in Brussels

General information

- X. Assistance for non-associated developing countries
- XI. NIEO
- XII. Commonwealth aid

European Community

- XIV. Venice summit
- XIV. Belgium: new foreign minister

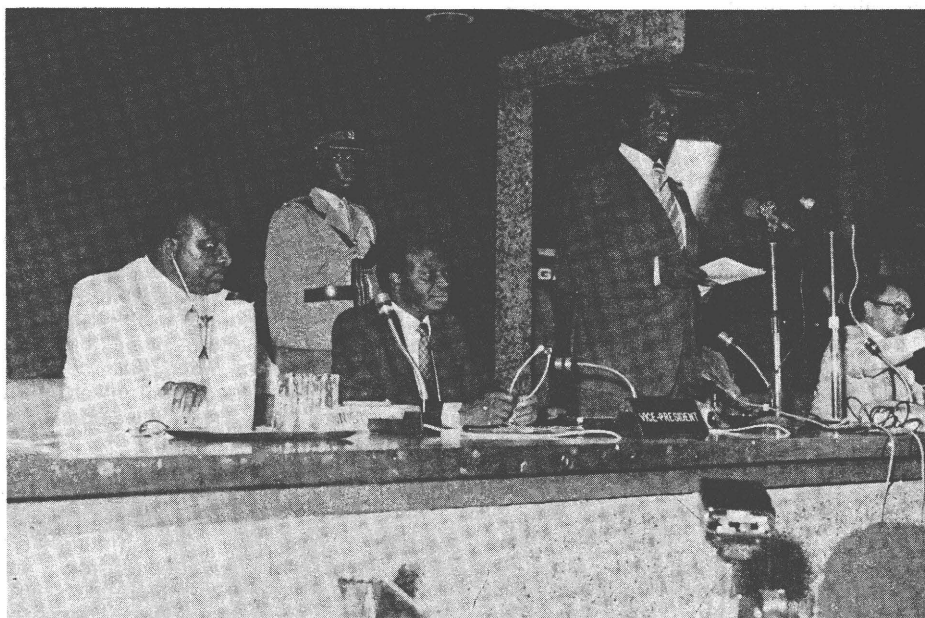
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- XIX. Business opportunities

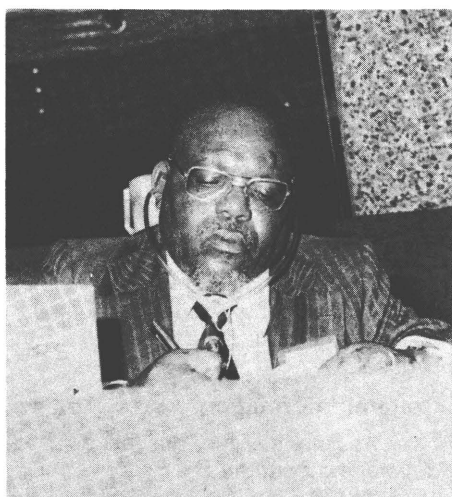
...but not so easy on others

But it was not all so easy. Far from it. Some of the discussions were reminiscent of the most difficult period of the Lomé II negotiations. Take sugar: for several months now, the ACP group has been worried about the increase in sugar beet production in some of the member states as they fear that, ultimately, the Community market will have no room for their sugar. They may receive assurances and they may be pleased to hear that the Commission is recommending a reduction in beet quotas, but they cannot rid themselves of the idea that a large Community surplus could one day lead to measures that are not in their interest. Which is why they have raised the question in so many quarters—at the special Council of Ministers meeting on sugar in Monrovia, at an interview with the British authorities, etc. The issue was brought up again at Nairobi, as was the imminent fixing of the prices for 1980/81. The ACP group would like to see the EEC take specific economic factors, like the higher sea freight costs and the higher Community prices of goods and services, into account when fixing ACP sugar prices.

But the aspect of the sugar problem that took up most of the Council's time was no doubt the Community's reduction of the quotas of four countries (Congo, Kenya, Suriname and Uganda) after their failure to respect delivery arrangements in 1977/78. The ACP group hoped these quotas could be re-established. As there seemed to be some disagreement as to how the rules on *force majeure* were implemented, the Council agreed to use the good offices procedure. If this was not successful within four months, then the arbitration procedure provided for in article 81(3) should be used.



President Daniel Arap Moi opening the ACP-EEC Council in Nairobi



Vice-Premier Simon Muzenda of Zimbabwe led his country's delegation in Nairobi

The inclusion of sesame seeds in the Stabex lists as from 1978 was also discussed. Ethiopia is the main country concerned here and the Council took note of a Community declaration recognizing the exceptional nature of the events that led to a drop in that country's production. These events will be borne in mind when it comes to determining the reference period, once the applications for a transfer for sesame seed have been made. The Council also agreed to channel any outstanding Stabex balance from Lomé I to Lomé II.

Differences of opinion on trade

Commercial cooperation was also discussed at length after a debate on the pace of financial disbursements, which is too slow according to the ACP, but which the EEC says is one of the most rapid among aid donors. "Our position has been deteriorating constantly since Lomé I was concluded", say the ACP states, "and since 1977 the Community has seen its trade



Mr Noel Levi, Papua New Guinea's foreign minister and president in office of the ACP Council

ACP Council of Ministers — 24th session

The 24th session of the ACP Council of Ministers was held on 6-7 May in preparation for the joint ACP-EEC Council of Ministers. On the agenda were all the items of the joint council on which the ACP countries had already coordinated their views. But there were other matters too, which had not been decided at the Monrovia meeting in January, in particular the questions of running the ACP secretariat, a draft staff plan and an additional budget for the ACP general secretariat, as well as delays in contributions.

The ACP Council of Ministers was unable to take up any final position on this problem and it asked the Committee of Ambassadors to look at the proposals drawn up by the *ad hoc* committee and to submit its recommendations. A similar decision was made on the UNDP offer of assistance, as the Council recognized there was a need for further examination of the document that referred to this. But it reiterated its acceptance in principle of the proposed US \$ 2 300 000 pro-

gramme of assistance for the duration of Lomé II.

The ACP Council considered the application from the Cook Islands (whose Prime Minister was present at the Nairobi meeting) to accede to the Convention. It invited the Committee of Ambassadors to continue this study and make recommendations at the next meeting. Lastly, the Council examined the question of the forthcoming expiry of the contracts of the ACP secretary-general and his deputy.

After lengthy discussion, particularly where the procedure and interpretation of article 10 of the Georgetown Agreement were concerned, and a vote, the Council appointed the new secretary-general of the ACP group. This was Kenya's candidate, Thomas Okelo-Odongo, who will be taking over from Tiéoulé Konate at the end of August.

As there were no other candidates for his post, Edwin W. Carrington (Trinidad & Tobago) was reappointed deputy secretary-general. ○ A.T.

deficit with our countries give way to a surplus". "Wrong", say the EEC states. "We only had a surplus in 1978. Ever since then, the trade balance has been in the ACP group's favour". "But if there is a surplus, it is due to oil and it is not a significant one", counter the ACP group. So since it was unable to reach agreement, the Council invited the ACP-EEC Committee of Ambassadors to look into the question as a matter of urgency and to determine the basic factors conditioning the ACP-EEC trade situation so as to ensure, in particular, that ACP exports develop in the best possible manner. Certain specific sectors of trade were the subject of disagreement, textiles in particular. The Mauritian delegation accused the EEC of protectionism. The ACP group stressed how much importance it attached to the principle of free access to the Community market which the Convention lays down and which also applies to textiles. So it found it difficult to understand the envisaged recourse to the safeguard clauses in respect of Mauritian textile products on the EEC market. Both partners agreed that concertation was important if situations such as this were to be avoided.

A communication on cocoa was made to the Council. The ACP countries provide two thirds of world supplies of this product and the EEC is the main consumer, with 75-80% of world demand. The representative of the Ivory Coast, the world's largest producer, expressed his government's regrets at the failure of the recent negotiations on renewal of the International Cocoa Agreement. Discussions might now be started again thanks to a European initiative—Claude Cheysson has been

to Abidjan for talks with the Ivory Coast authorities.

The Council calls for studies

Lastly, the Council called for several studies to be carried out. It confirmed the agreement between the co-chairmen of the ACP-EEC committee on customs cooperation, whereby a joint working party of experts should be set up as soon as possible to look into the origin of fish products. And similarly, the ACP-EEC sub-committee on cooperation should lose no time in setting up a joint working party, under the authority of the ACP-EEC Committee of Ambassadors, to discuss what steps should be taken to implement the Community's declaration on supplying any agricultural products available in the EEC to the ACP countries.

The Council also invited the joint working party on the least developed, landlocked and island countries to study what additional measures might be adopted to attract investments to those countries.

The Commission declared that Zaire would, in accordance with the joint declaration annexed to Lomé II on the particular situation of that country, benefit from similar treatment to that enjoyed by the least-developed, landlocked and island countries.

When agricultural cooperation was discussed, the Council decided to invite the ACP-EEC Committee of Ambassadors to set up a sub-committee on agricultural and rural development as soon as possible to draft the texts that would make for the rapid establishment of an agricultural and rural cooperation

centre. The Community presented a number of draft texts with this in mind.

In the field of industrial cooperation, the Council noted the measures the Committee of Ambassadors had introduced for the constitution of a group of prominent figures to produce a study of additional financial resources for industrial cooperation (annex X of Lomé II). The urgency of this matter was stressed and it was hoped that the problems of the least-developed, landlocked and island countries would be taken into consideration when the study was made.

There was also an exchange of views on the ACP proposals for industrial cooperation, particularly the industrial restructuring issue. ○

PROGRAMMING MISSIONS

a5th EDF programming began in December 1979 see *Courier* no.s 60 and 61) and programming missions have gone out to a dozen countries in the ACP group over the past three months. They were headed by development directorate head Klaus Meyer (Madagascar, Sudan, Niger and Upper Volta), deputy directors-general for development Jean Durieux (Gabon and Ivory Coast) and Maurice Foley (Seychelles, Mauritius and Malawi) and Michel Hauswirth (Djibouti and Ethiopia).

Madagascar

The local delegation was led by Rakotovo Razakaboana, minister to the president and responsible for finance and planning. The indicative programme is as follows—rural development 45 %, microprojects 7 %, infrastructure 12 %, road studies 10 %, trade promotion, technical cooperation, research into mining and energy and scientific research 7 %, health 5 %, grants and courses 5 %, education 4 % and a 5 % contingency fund. The European Investment Bank also noted the government's intention of submitting projects to do with mining, energy and agro-industry.

Sudan

Mr Mirghani Mohamed Ahmed, minister in charge of national planning, led the Sudanese team. This country's priorities are transport and infrastructure (40 %), agriculture (25 %), rehabilitation of existing agricultural projects (16 %), training (3 %), technical assistance (2 %), small and medium-sized businesses (1 %), microprojects (3 %), trade promotion (1 %), feasibility studies (2 %) and a contingency fund (7 %). Sudan also intends applying for EIB aid to develop manufacturing and agro-industry and to finance studies in the mining sector.

Seychelles

Dr Ferrari, minister for planning and development, led the local delegation. The indicative programme is very much weighted in favour of social infrastructure (75 % of the programme aid), with the aim of improving the country's public health infrastructure. After this come microprojects (17 %), training (3 %) and a reserve of 5 %. The EIB will probably be asked for help the development of small and medium-sized enterprises (SME), particularly in industry, tourism and pigmeat processing.

Mauritius

The Mauritian team was led by Sir Veerasamy Ringadoo, minister of finance. Agriculture, accounting for 38.3 % of programme aid, was in the lead here. It was followed by infrastructure, with 29.6 %, economic diversification (8.7 %), microprojects (5.2 %), technical assistance and training (5.2 %) and a reserve of 13 %. Mauritius will probably be applying for EIB aid with the production of ethanol from byproducts from the sugar and fisheries industries.

Malawi

A.E. Gadama, minister for the central region, led the local delegation. Malawi's priorities are transport (35 %), agriculture (25 %), energy (8 %), education and training (5 %), health (5 %), small and medium-sized businesses (6 %), microprojects (6 %), trade promotion (0.5 %), feasibility studies (2 %) and a reserve of 7.5 %. It is also intended to apply for EIB aid to develop tourism, mining and various industrial projects.

Djibouti

The local delegation was led by Aden Robleh Awaleh, minister for trade, transport and tourism. The indicative programme is broken down as follows: rural development (21 %), social infrastructure (34 %), energy (30 %) and training (5 %). This leaves a reserve of 10 %. Djibouti will no doubt be applying for EIB aid with industrial and energy production.

Ethiopia

Tekola Dejen, deputy secretary-general for the national revolutionary development campaign, led the Ethiopian team. Agriculture and rural development get 50 % of programme aid, economic and social infrastructure 31 % and training 2 %. There is a 17 % reserve fund. The Ethiopian government will also be asking for EIB aid with projects in mining, tourism, agro-industry and industry, and for feasibility studies.

Niger

Planning minister Annou Mahamane led the Niger delegation. Rural development is this country's top priority with 25 % of 5th EDF aid. It is followed by communications infrastructure (20 %), education and training (18 %), health and village water supplies (15 %), energy (8 %) and industrial and commercial promotion (4 %). 6 % is earmarked for technical assistance and advanced training schemes and this leaves a 4 % reserve fund. Niger also intends applying for EIB aid with energy, mining, industrial and tourist projects.



Maurice Foley (right), deputy director general in the Commission, with Mr A.E. Gadama, Malawi's minister of the central region

Upper Volta

George Sanogoh, minister for planning and cooperation, led the local delegation. The indicative programme allots 38% to rural development, 22% to transport and infrastructure, 19% to energy and mining, 11% to social development and education, leaving a reserve fund of 10%. The EIB has noted the government's intention of applying for financing for a mining project.

Gabon

The local delegation was led by Pascal Nze, the minister for planning, development and participation. Rural development is Gabon's top priority, with 58% of programme aid, followed by mining and energy (28%), training, trade promotion and aid for SME (9%). A 5% reserve fund has been earmarked for specific training schemes and technical assistance. Gabon also plans asking the EIB for aid with some of its mining, energy and agro-industrial projects.

The Gabonese delegation made it clear in a unilateral declaration that the EEC Commission proposal on programmable EDF assistance corresponds neither to what Gabon expects nor to the imperatives of the country's development. It recommended a revision in the hope of improving the efficiency of cooperation between the EEC and Gabon.

Ivory Coast

This country's delegation was led by the minister for economic affairs, finance and planning, Mr Abdoulaye Koné. Agriculture gets 53% of the indicative programme, livestock 13%, water supplies for human consumption 22%, energy 4%, and trade promotion 4%. This leaves a 4% reserve. The Ivory Coast may also be applying to the EIB for help with projects in energy and mining and for small and medium-sized enterprises. ○

EDF

In April and May, after the EDF Committee had given a favourable opinion at its 145th and 146th meetings, the Commission of the European Communities adopted the following financing decisions.

They bring commitments under the fourth EDF to a total of 2 398 456 128 EUA.

African Groundnut Council (AGC)

Sudan

Regional research project on aflatoxin (excess expenditure)
Grant: 500 000 EUA, regional project;
504 000 EUA, Sudan's indicative programme

The Commission is already funding a regional research project on aflatoxin

(costing 3 million EUA), to be implemented by the AGC, for the purpose of:

- launching a sales promotion scheme for refined groundnut oil on the European market;
- studying the feasibility of setting up units in six AGC member countries to produce animal feed based on aflatoxin-free groundnut oilcake;
- carrying out regional aflatoxin research schemes.

This financing agreement concerns the provision of supplementary financing by the Commission so that the project can be completed.

Congo

Cattle farming in the Niari valley (second phase, fourth EDF)
Grant: 1 300 000 EUA

This Community commitment is for the second and final two-year phase of the project involving a thorough reorganization of the management of ranches in the Niari valley.

Its purpose is to:

- provide meat for consumption;
- restock and build up herds.

This phase will mark the completion of the scheme and will include technical assistance.

Central African Republic

Repairs to national highway 3
Grant: 8 031 000 EUA

The aim of this project is to repair the earth road (453 km long) between Bossembele and Garoua Boulai.

National highway 3 is of vital importance to this landlocked country since it serves as a year-round land link with the port of Douala in Cameroon.

Guinea Bissau

Bambadinca-Quebo road
Grant: 2 million EUA

This road (75 km) links the north of the country with the south. It is in poor condition and difficult to negotiate; it cannot be used during the rainy season.

The aim of this project is to upgrade the present track to make it an unsurfaced all-season road.

Solomon Islands

Development of the telephone system of the Solomon Islands (Phase I)
Loan on special terms: 5 200 000 EUA

This project constitutes the first phase of the programme to develop the Solomon Islands telephone system; the intention is to provide new telephone

exchanges at Honiara (the capital), Auki, Gizo, Kirakira, Tulagi and Tenakaro in addition to associated external line plant and subscribers' apparatus (to meet requirements for the next seven years).

Reunion (OCT)

Bras de Cilaos water engineering and agricultural development project

Grant: 400 000 EUA

Loan on special terms: 2 250 000 EUA

Total: 2 650 000 EUA

The purpose of this project is to implement the first operational instalment of a scheme to supply water to the Bras de Cilaos area with a view to boosting agricultural production and diversifying agriculture.

It involves supplying and laying pipelines and fittings for the irrigation of an area of 875 ha and supplying drinking water to the town of St Louis (population 30 000).

Ivory Coast

Improvement of sanitation facilities in the town of Korhogo

Grant: 1 900 000 EUA

This project is intended to clean up the town centre of Korhogo (population: 50 000), the capital of the northern region of the Ivory Coast.

The main features are:

- a rainwater drainage network for the town centre;
- organization of a refuse collection service.

Uganda

Assistance to the Uganda Development Bank (UDB) — Line of credit and technical assistance

Loan on special terms: 1 500 000 EUA

Grant: 200 000 EUA

This Community line of credit will allow the UDB to give loans to small and medium-sized firms urgently in need of equipment and spare parts; priority is to be given to manufacturing, agricultural processing and quarrying.

Nigeria

Assistance to Nigerian research institutes

Grant: 1 170 000 EUA

This Community commitment will provide technical assistance and equipment to three Nigerian research institutes and help with the training of Nigerian research staff. It tallies with the Nigerian authorities' aim of achieving greater self-sufficiency in all sectors, especially technology.

Ethiopia

Multiannual (1976-80) training programme (second part)
Grant: 2 million EUA

This project will make it possible to pursue the programme already under way, consisting of:

- scholarships for 45 students in ACP and EEC countries,
- training of 2 367 trainees in Ethiopia,
- the services of an instructor for the Ministry of Finance.

Bahamas

Food laboratory
Loan on special terms: 446 000 EUA

The intention of this project is to construct the Bahamas' first food laboratory on a total area of 520 m², to comprise a chemistry laboratory, food processing installations, stores and offices.

The laboratory's function will be to analyse and inspect the standard of locally produced or imported foodstuffs for human or animal consumption.

- The EDF is to cover the cost of:
- construction,
 - equipment,
 - technical assistance.

Malawi

Extension of the rural trade school
Grant: 375 000 EUA

The purpose of this project is to consolidate and extend the Senga Bay rural trade school on Lake Malawi.

The function of this school (being financed by German bilateral aid) is to give the craftsmen concerned the non-agricultural training they require in order to settle in rural areas.

The project provides for:

- the construction of premises covering 1 230 m² consisting of a lecture room, library, workshop, students' hostel and staff accommodation, along with the furnishings and equipment required;
- extension of the sewerage and water supply systems;
- vehicles and basic tools.

Senegal

Promotion of craft industries — setting up of four regional units
Loan on special terms: 951 000 EUA

The purpose of this project is to establish, equip and operate four crafts centres (Dakar, Thies, Diourbel and Saint Louis) for joinery and carpentry, sheet-metal working, painting and general engineering.

These centres will be instrumental in promoting the government's efforts to assist craftsmen in the services and production.

Wallis and Futuna

Mata-Utu road network
Grant: 645 000 EUA

The Community aid will be used to modernize the main town and suburban road network in Mata-Utu, the principal town on Wallis Island, and provide a rainwater drainage system.

In all, 12.5 km of road will be upgraded.

French Polynesia

Nuku-Hiva forestry programme
Grant: 248 000 EUA;
Special loan: 692 000 EUA;
Total: 940 000 EUA

The aim of this project is to plant 300 ha with Caribbean pines on the island of Nuku-Hiva. The Community aid will be used to:

- plant 300 ha with Caribbean pines
- create a forest track
- improve access roads
- finance the purchase of forestry equipment
- establish a training programme

ACP states: Bahamas - Barbados - Jamaica - Trinidad and Tobago - Guyana - Grenada

OCT: Caribbean islands

Implementation of the Caribbean regional tourism study
Grant: 300 000 EUA

This project is part of the Caribbean regional programme.

Its aims are to:

- provide information for tourist organizations in the region
- promote tourism from Europe

Tourism is the Caribbean's major regional industry.

ACP states: Barbados - Dominica - Grenada - Guyana - Jamaica - Santa Lucia - St Vincent - Trinidad and Tobago
OCT: Antigua - Belize - Montserrat - St Kitts/Nevis/Anguilla

Regional training course for young diplomats of CARICOM countries
Grant: 80 000 EUA

This project is designed to enable 28 young diplomats from CARICOM countries, particularly counsellors and economic and commercial attachés, to increase their knowledge of the major

economic issues and receive training which will be of use for their future activities in the political and economic spheres in the region and elsewhere.

Dominica

Training following hurricane David
Grant: 50 000 EUA

The aid will provide two-year study grants to enable 15 students from Dominica to receive technical training in Barbados as the Dominica Technical College was severely damaged by hurricane David in August 1979.

Gambia

Multiannual training programme
Grant: 286 000 EUA

The grant will finance two types of work:

- diversification of training, which at present is given in Europe, to orient it towards practical courses such as training periods in industry or study trips in ACP countries
- continuation of the training programme already under way.

All ACP states

Financing of experts and consultants for the General Secretariat of the ACP States
Grant: 555 000 EUA

The grant will be used to continue financing a number of experts and consultants for the ACP states' general secretariat.

Centre for Industrial Development (CID)

Budget of the CID
Grant: 1 508 128 EUA

The grant to the CID will cover its administrative and operational expenditure for 1980.

Upper Volta

Koupela-Fada N'Gourma road
Grant: 7 681 000 EUA
Special loan: 7 000 000 EUA

Community aid will be used to upgrade and asphalt the Koupela-Fada N'Gourma road (80.5 km), which is currently a dirt road in poor condition, making transport difficult and costly, particularly in the rainy season.

This section of road is part of the main Upper Volta east-west trunk route from the border with Mali through Ouagadougou to the Niger border.

The cost of the project is estimated at 14 681 000 EUA, to be financed by a grant of 7 681 000 EUA and a loan of 7 000 000 EUA on special terms. ○

CENTRAL AFRICA

Mr Le Boudier in Brussels

Central Africa's cooperation minister, Mr Le Boudier, visited Brussels with ambassador Kombot-Naguemon and various colleagues at the end of May. After talks with commissioner Cheysson, EEC development directorate heads and representatives of the member states, the minister gave the *Courier* the following interview.

► *What was the purpose of your visit to Brussels and how did it go?*

— There were two reasons for my visit. First, to prepare the next programming mission to our country with leading Commission officials. Second, to give them more information on what the Central African government is doing to put the country back on its feet again after the fall of the ex-emperor. And we also had to make our wishes about Commission aid known and say how we thought it should figure in the plan for national recovery. We also told the Commission, which had already been invited, about the meeting of funding bodies to be held in Bangui on 23-28 June. We have submitted the various dossiers we have compiled to the Commission and, I feel bound to say, they are already very well advanced and should favourize a proper choice and clear-cut options at the meeting.

► *What are the guidelines of your country's indicative programme?*

— In view of the summary made in the previous plan, we hope the next EDF and any other sources of financing will concentrate on our communications infrastructure, which is very run-down after several years without maintenance or proper organization. The second priority is, of course, the development of agriculture, still the main source of income in Central Africa at both family and state level. These are the two main sectors and they will be absorbing most of the resources which Lomé II provides. The same priorities hold good for the funders' meeting, as the bulk of the dossiers here are on communications infrastructure and rural development. It may come as a surprise to see that things as important as the social sector have not been included, but we feel that we must revive the productive sectors first, as they alone can generate the resources we need to pay for the social measures.

► *When you gave a conference in Brussels some time ago you outlined the economy of Central Africa and said your country had substantial potential resources. Are you still optimistic about future possibilities once the current problems have been solved?*

— The exploitation of potential resources depends on many things and some of them, such as the money for development, we lack. I have in fact informed the Commission authorities of what the government has done to mobilize national resources. We began by taking stock of all our state companies and found that, generally speaking, these companies were a drain on the state rather than a source of income. So we have tried to denationalize wherever possible. We have two things in view. First, to entrust competent people who can come up with hard cash with the management of companies in which the state remains associated. The state will be increasingly concerned with supervision and economic policy and less and less concerned with actual business management. Our recent experience has proved that the state does not make a good businessman.

Our second aim is to use this system to find a satisfactory answer to the problem of compensating the individuals and firms that were robbed during the last regime. This should recreate a climate of confidence and encourage the private investments that are a vital complement to any official aid.

A particular effort will be made with mining and, bearing in mind that we are landlocked and our energy costs are even higher than other people's, we shall pay special attention to research into alternative energy, mainly what you in Europe call biomass. Of course we shall be studying other forms of energy as well and we are counting on help from the Community, which also considers the problem important.

Lastly, the government is producing a review of various sectors of the

economy, forestry and mining that is, with a view to getting things back to normal, i.e. to ensuring that all firms have the same obligations and the same charges and that the interests of the state and the government are respected.

Along the same lines, the government has undertaken to produce better civil service job descriptions so as to avoid any untoward staff increases. An effort will also be made to make the authorities dynamic and responsible once more, so they can provide proper support for all the projects we hope to see run in Central Africa in the coming years.

I should like to end by saying how pleased I was that the Commission took the excellent initiative of bringing together the financial advisers of the member states and giving me the opportunity of telling them about the funders' meeting due to take place soon, and our plan for national recovery. ○

TRADE PROMOTION

The aim of the big spring fairs is to see how far various foreign products appeal to the general public. The fairs are also a golden opportunity for business meetings between commercial operators and displays from all over the world.

Many ACP states remained faithful to the time-honoured rendezvous at the major international fairs in Milan (14-23 April), Brussels (24 April-4 May) and Paris (26 April-11 May). Their stands, built and decorated by the EEC Commission, featured a whole range of tropical products—off-season fruit and vegetables, coffee, cocoa, tea, spices, groundnut and palm oil, shellfish and preserved fish, leather goods, cotton clothing, African craft objects, wood and so on.

ACP stands in the international sections of the trade fairs are always a great attraction to the visitors. They also give ACP representatives the opportunity to establish trade contacts which, if they are properly followed up, should open the way for new markets.

The following schemes have been financed by the development directorate at the Commission.

Fairs and exhibitions

Participation of six ACP countries and seven non-associated developing countries at Milan, 15 ACP countries and 11 non-associated developing countries at Brussels and four ACP and four non-associated countries at the International Fair in Paris. ○



Mr Le Boudier

REGIONAL COOPERATION

An information campaign on the marketing of products for which there is a market organization was held in Paris and London in March 1980. It was attended by representatives of 30 ACP countries (from both English- and French-speaking zones), the Inter African Coffee Organization, the African Groundnut Council, European operators and national and international R & D organizations.

This was a two-part meeting:

— Part one, for the French-speaking states, took place in London and Paris on 10-19 March.

— The second, in London and Paris on 24 March-2 April, was intended for the English-speaking states.

It dealt with the practical problems of marketing four products (coffee, cocoa, cotton and oil seeds) that the ACP countries sell on the European markets, and, in particular, with the long-term functioning of these markets, the marketing circuits, covering the risks of change, the financing of exports, transport problems, insurance problems, etc.

When the two seminars were over, all the African and European participants recommended that the Commission liaise with the ACP group and take the initiative in setting up a link organization of European and ACP operators, in the form of an international non-profit making association. Right from the outset, this body would have a small permanent secretariat to do the organizing and its main tasks in the immediate future would be to improve the quality and reliability of the information used by sales organizations, devise and introduce advanced techniques with the active participation of EEC and ACP operators, meet members' requests in respect of studying any difficulties in the marketing and promotion of products and establish, in cooperation with the trade markets, a report on the sales organizations and on the various ways of getting the producing countries to sell on these markets in the long run. ○

ACP-EEC MEETINGS

Geneva — Economic and social partners

The ACP-EEC Consultative Assembly, chaired by Messrs Bersani and Ouedraogo, organized a meeting of economic and social partners in EEC and ACP countries on 31 May. It was attended by 13 European MPs and 13 ACP representatives from the Joint Committee.

The meeting, which brought together 100 people from the EEC and some 20 ACP states, including the leaders of the big professional and union organizations in the regions, was the occasion for a very frank and thoroughgoing discussion on the guidelines which the competent authorities should be following in implementing the Lomé II provisions on strengthening and increasing the importance of small and medium-sized firms.

An 18-member delegation from the EEC Economic and Social Committee, headed by chairman R. Vanni, took part in these discussions.

The meeting was held in Geneva on the eve of the ILO annual conference, so as to make things easier for the ACP participants.

The discussion began with two working documents being presented. One was by Mr P.A. Afolabi, the Nigerian ambassador and chairman of the ACP-EEC Committee on industrial cooperation, and the other by Mr A. Margot, a member of the EEC Economic and Social Committee and vice-president of the European union of craftsmen and small businesses.

Maurice Foley, deputy head of the development directorate, gave the Commission's point of view.

All participants were satisfied at this new meeting being held and they stressed the need for representatives of the economic circles in ACP and EEC countries to play a greater part in achieving the aims of the Convention.

Marseilles

Lomé II and the business firm—economic cooperation to industrial and commercial cooperation—was the theme of the ACP-EEC session which the Marseilles chamber of commerce and industry organized on 21-23 May. Claude Cheysson and Mauritian ambassador Raymond Chasle were among the 500 representatives of ACP and EEC countries and Simone Veil chaired the closing session. What was unusual about this event was the time spent on the concerns of the heads of firms. The aim was to take a critical and objective look at the new possibilities of cooperation which Lomé II provides for EEC and ACP firms and to do so freely and with nothing other than efficiency and pragmatism in mind.

Three committees shared the work. They were as follows:

1. Commercial cooperation and the firm. This group dealt with the dangers of protectionism and the positive aspects of Lomé II in this respect—the provisions in Lomé II on production and export promotion—trade problems linked to the structure of the monetary zones—the movement of commercial information for ACP firms (plan to set up an ECP-EEC data bank)—means of assisting present and future firms in public and private sectors with production and exports—export management

companies—and marketing agreements between ACP and EEC firms.

2. Industrial cooperation and the firm. This group dealt with the possibilities and limitations of a new breakdown of ACP-EEC industrial activity in the present international economic and social context—the means of facilitating industrial consultation (i.e. the role of the CID)—the search for complementary financing for industrial projects in the ACP countries—the means of encouraging new and profitable industries in the ACP group—cooperation between ACP and EEC firms (joint ventures, subcontracting etc, industrialization in free zones and so on).

3. Economic and regional cooperation in the new Convention. This group analysed the advantages of regional undertakings as regards production and industrialization—the possibilities and means of developing trade between ACP countries (the vital role of producers, exporters and distributors)—the scope of regional and inter-regional cooperation in Lomé II.

All participants felt this event was an extremely useful one and hoped to see a similar session run in 1981 or 1982, probably in Germany. ○

EIB

Loan for a hydro-electric power station in Mauritius

The EIB has lent the equivalent of 7.5 million EUA (78 million rupees), as part of aid under Lomé I, to help finance a dam and an HEP station on the east coast of Mauritius.

The loan was given to the Central Electricity Board (CEB), a public body responsible for producing and distributing electricity on the island. The loan, which includes an interest rate subsidy financed by the EDF, is at 8% over a 19-year period.

The Bank is thus contributing to an investment amounting to an estimated 42.5 million EUA and involving building a dam to contain 4 million m³ water and an HEP station able to generate 30 MW.

These facilities, which should be ready for operation in 1983, will mean that oil imports can be replaced by locally produced power. Mauritius can currently produce 125 MW, nearly four fifths of it from thermal power stations — the HEP potential is, in spite of the considerable rainfall, somewhat limited due to the unsuitable topography of the island.

ABEDIA, the Kuwait fund, the OPEC fund, the CCCE (France) and the Mauritian government are also making contributions to the financing of these installations. ○

EXCEPTIONAL AID

Ghana

On 2 May the Commission decided to provide emergency aid to Ghana amounting to 300 000 EUA to help it overcome an epidemic sweeping the country.

Fiji and Kenya

In accordance with the Lomé Convention, the Commission decided at the end of May to grant exceptional aid to:

— Fiji: 300 000 EUA, which will help pay for reconstruction work following the severe damage caused by a hurricane at the end of March.

— Kenya: 120 000 EUA goes to the *Deutscher Caritas Verband* in support of its programme for the distribution of food and medicine to the people of north-western Kenya, where drought has caused food supply and health problems.

Mauritania and Djibouti

In June the Commission decided to grant exceptional aid of 150 000 units of account to Mauritania and 300 000 units of account to Djibouti as part of a series of measures to combat the effects of the drought.

Sudan

The presence of 440 000 refugees, mainly from Ethiopia, imposes a heavy burden on the Sudanese government. It has just decided to settle in the rural areas some 50 000 people at an estimated cost of 4.2 million EUA.

Ratification of Lomé II — the state of play

Since Lomé II, the new ACP-EEC Convention, was signed on 31 October last, a number of ACP countries (Botswana, Central African Republic, Seychelles, Togo, Tonga and Tuvalu) and, on the EEC side, Denmark and Ireland, have ratified the agreement. The French bill has been approved by the national assembly and gone up to the senate. In Germany, ratification is expected to take until October or November of this year and, in Belgium, a further two months after the current draft law procedure will be required. The United Kingdom will ratify in July 1980, the Netherlands in October or November and Luxembourg in September. A draft law on the subject has already been transmitted to the Italian parliament and the discussion should take two months. ○

At the end of June, the Commission decided to make a contribution of 3 m EUA to this programme which will be undertaken by the UNHCR.

The Commission was also represented at a conference in Khartoum organized by the Sudanese authorities to attract help from the international community for an overall scheme to help the refugees. ○

VISITS

Mr Cheysson on tour of Africa

Since 23 June, Mr Cheysson, commissioner, in charge of development policy at the European Commission, has been visiting a number of ACP states. Mr Cheysson is visiting in turn: Cameroon (where the main problem for discussion will be the refugees from Chad), Equatorial Guinea and Ghana. Then he is visiting the headquarters of the OAU (Organization of African Unity). ○

CAMEROON

A sounder economic basis

A delegation of ministers and businessmen from Cameroon visited Belgium at the end of May to talk with local investors and discuss the possibilities of more extensive cooperation between the leaders of those sectors of the economy that are of interest to Cameroon at this stage in its development. The Cameroonian team was led by Youssoufa Daouda, minister for economic affairs and planning, and included such important businessmen as Maurice Kamgaing (hotels and catering), Tchana Nana (timber), the chairman of the chamber of commerce, etc. Mahmoudou Haman Dieko, Cameroon's ambassador to Benelux, was also there.

The delegation met a number of Belgian businessmen from various sectors and the minister for economic affairs and planning gave a lecture at the Belgian external trade centre, when he introduced the Cameroonian economy, outlined trends over the last 20 years and discussed future prospects. After saying that the country's economy had been progressing smoothly and not in fits and starts as happened in some places, he stressed that the authorities had made an effort to develop a strong national economy — but one which did not exclude cooperation at government and private level. Hence the importance of a mixed formula in the fields where private capital from home and abroad was inadequate. The minister then went on to describe the industrial sector in the following terms.

"The processing industries, which represent about two thirds of the country's industrial turnover, are dominated by three sectors — food, drink and tobacco; textiles, clothing and footwear; and metallurgy (where aluminium processing predominates, with an anticipated 800 000 t in 1982).

"Industrial activity is represented by firms financed with foreign capital, by mixed firms where foreign and national capital are combined (in varying proportions) and by small and medium-sized firms which are entirely Cameroonian financed and run. It should be noted that this last category of firms is expanding considerably at the moment thanks to the backing and financing which the government has provided and that cooperation between our two countries in this sector could well be successful.

"As far as energy is concerned, it is encouraging to see that HEP, which currently covers 95% of our needs, is expanding with completion of the work on the Song-Loulou and Lagdo dams. With the operation of off-shore deposits, our production and our ongoing prospecting are grounds for hoping that Cameroon will be able to meet its own needs and have a surplus left over for export.

"In the tourist sector, we are running schemes to step up our hotel capacity and improve our parks and tourist spots.

"Overall, our turnover in industry and energy, all taxes included, went beyond the CFAF 200 000 million mark in 1979 and more than 30 000 jobs were created. And it is comforting to note that 25% of this turnover comes from export.

"Industry feeds an expanding goods and services trade that is served by a major road, rail, sea, air and telecommunications system that is undergoing constant improvements. And it also has the benefit of a network of financial institutions on a scale rare in Africa.

"The tertiary sector contributes 40% of our GDP at the moment and the country's foreign trade amounts to 445 000 million t".

But all development efforts can slip up — on infrastructure. So, the minister said, the government has already established major communications routes. The Transcameroon railway, for example, links the south of the country with Ngaoundere in the north. The national airline, Camair, has regular flights within the country and to Europe and the rest of Africa. Camshipping Lines provide sea transport and there is a nationwide network of something like 42 000 km of asphalted roads. And let us not forget the extensions to the port of Douala, a major regional port which can open up Chad and the Central African Republic.

In the roads sector, two other important projects are being studied or are in the early stages of implementation — they are the Yaoundé-Douala and the Yaoundé-Bafoussam roads, two links that are vital for the country's economy.

Considerable strides have been taken with Cameroon's telecommunications too, and now some countries of Africa, Europe and North America can be reached by automatic dialling.

The Cameroonian minister concluded by appealing to Belgian investors to place their capital in Cameroon, a country, he said, with a sound basis for development, with genuine cooperation between national and private foreign sectors and a mixed economy which is a help to individual initiative.

The delegation was also due to visit the Netherlands before returning to Cameroon. ○

SOUTHERN AFRICA

Committee chairman visits the EEC

One of the main decisions at the historic economic summit of leaders and representatives of the nine independent countries of southern Africa, in Lusaka last April, was to hold an international donors conference in Maputo (Mozambique) at the end of November this year.

To this end, the chairman of the steering committee, Mr Amon Nsekele, who is Tanzania's High Commissioner in London, visited the Commission early in June. He was accompanied by Botswana's High Commissioner in London, Mr Kgarebe, whose country was given the task of examining the "need for institutional mechanisms for overall coordination of the programmes".

The EEC, it should be recalled, has expressed its intention to contribute towards the implementation of the programmes and Mr Nsekele's visit was simply formal. He, however, described his talks with Claude Cheysson, the EEC development commissioner, as fruitful and encouraging.

The Lusaka southern African development conference examined ways and means of increasing cooperation among the nine participating countries and of asserting their economic independence from apartheid South Africa. It approved a plan of action which included:

- the creation of a southern Africa transport and communication commission, to be based in Maputo
- measures to control foot and mouth disease in cattle throughout the region
- the preparation of a food security plan in the region
- the establishment of a regional agricultural research centre specializing in drought-prone areas
- harmonization of industrialization and energy policies of the nine countries involved
- sharing of national training facilities
- studies leading to proposals for the establishment of a southern African development fund. ○

GENERAL INFORMATION

Aid to non-associated developing countries

On 9 June the Commission approved the first instalment of projects on the 1980 programme of aid to non-associated developing countries and a fourth instalment of projects under the 1979 programme.

The 1980 instalment involves three projects, costing a total of 19.4 million EUA (some \$27.3 million), for which the EEC is providing a grant of 7.5 million EUA (approximately \$10.6 million).

Two projects have been approved under the 1979 instalment. The Community will be contributing 9.1 million EUA (some \$12.7 million) in the form of a grant towards the total cost of 12.8 million EUA (approximately \$18.1 million).

1980

NEPAL

Stock-farming development project—cost \$19 million, of which the EEC will be covering \$3.1 million. This project aims essentially to improve meat and milk production and train local staff.

NICARAGUA

Technical assistance project—cost \$4.8 million, of which \$3.9 million will be covered by the EEC. This scheme is part of a \$15 million aid programme for 1980 proposed by the Commission to the Council last March and it involves placing 10 technical assistants at the disposal of the Nicaragua government for three years to help with the task of regional and rural economic planning.

THAILAND

Cooperatives: training and marketing—cost \$3.5 million, to be paid entirely by the EEC. This project involves setting up one national and four regional training centres for local staff and equipping marketing cooperatives.

1979

BANGLADESH

Grain storage—total cost \$16.5 million, of which \$11.3 million is to be covered by the EEC. This project aims at increasing food security by providing storage facilities in different towns located in areas which are particularly exposed to natural disasters.

PAHO (Pan American Health Organization)

Training programme to cope with the effects of disasters—total cost \$1.6 million, to be covered entirely by the EEC. The aim of this scheme is to improve prevention facilities and the organization of the aid to victims.

For the record, 35 projects have been approved so far under the 1979 programme, costing a total of 96 million EUA.

For 1980 the Commission had entered the sum of 140 million EUA in its preliminary draft budget. ○

NIEO

Eyskens: pact for common growth detailed at UN symposium

In June the United Nations organized a symposium in Brussels to inform European parliamentarians on "Europe's stake in the New International Economic Order (NIEO)". It was supported by the EEC and the Belgian government and was addressed by a number of important figures, in particular Mark Eyskens, Belgium's develop-



Mark Eyskens

ment minister, the EEC commissioner Claude Cheysson, Mario Zagari, vice-president (deputy speaker) of the European Parliament, Raymond Chasle, Mauritius ambassador in Brussels and current chairman of the ACP committee of ambassadors, Jean Ripert, under secretary-general at the UN, Alfred Maizels, special advisor to UNCTAD's secretary-general, Arthur Brown, deputy administrator of UNDP and Jyoti Singh, of UNFPA.

Mr Eyskens presented a paper outlining his idea of creating a "pact for common growth". He pointed out the widening gap between the poorest developing countries and the OECD countries. In the period 1960-77 the 37 countries with per capita income below \$300 experienced a real growth rate of 1.4%, while those countries with a per capita income of \$300-\$1 000 had a growth rate of 2.5%. However, the Western industrialized countries had a growth rate of 3.4%. During the same period official aid was falling from the OECD countries. Financial transfers in the free market tended to benefit those countries already on the road to industrialization. Although interdependence was now widely accepted as the main factor in relations between the OECD countries and the developing world, that interdependence is unbalanced in favour of the developed world, Mr Eyskens pointed out. A way round this was to ensure a level of "common growth", by adopting a pact. Such a pact would increase aid, stimulate demand for industrialized goods, and encourage structural change by linking official aid (oda) to economic growth in the industrialized states.

The developed countries would participate in the pact once they had a certain level of income per capita. If \$3 000 were taken it would involve all the EEC (except Ireland), Spain, Austria, Finland, Norway, Sweden, Switzerland, the USA, Canada, Australia, New Zealand, Japan, Saudi Arabia, Libya, Kuwait, the USSR, Poland, Czechoslovakia and East Germany. These countries would have to reach the 0.7% of GNP oda target, or not benefit from the other side of the pact-purchases with the funds by the developing countries only in the pact members. The funds transferred would be calculated in relation to economic growth.

Preparations for global negotiations

Mr Eyskens's proposals are among a number of plans which are being aired as the UN system gears itself for global negotiations which should start at the end of the year. Much of the Brussels symposium was about the factors which will condition these talks, especially in relation to Europe. Jean Ripert, the UN's under secretary-general for international economic and social affairs outlined the state of North-South relations and where they could go from here, and expanded on his views in an interview with the *Courier*.

Ripert: new circumstances for the dialogue

Jean Ripert saw two differences between the global negotiations scheduled for late 1980/early 1981 and the North-South dialogue in Paris. "First, this time, the attempt is being made in the United Nations and it will get all the countries, not just one group, involved. So the first difference is the universality of participation. The second, as compared to events after the Paris conference, is that, particularly in the UN, in a committee of the General Assembly, what we call a plenary committee because everyone is involved, the problem of energy has been the subject of discussion for some years now".

Mr Ripert did not believe the large number of countries which would now be involved would necessarily be a barrier to agreement. The 152 members of the UN were organized into groups, the most important being the Group of 77 (the developing countries), and as Lomé had shown, a large number of countries could reach agreement on complex issues. He agreed that since the UN began its development decades the nature of the North-South discussions had changed. The South was not a single block, it had been evolving, most dramatically through the emergence of a powerful group of energy producers since 1973, but also because a group of more industrialized developing countries, now called the NICs, had emerged. Countries like Brazil and Taiwan had had very different development experiences compared to countries like Mali or Bolivia. But despite the divergence in economic performance, there were common interests involved.

"First of all, as regards the problems of energy and oil, which are particularly acute at the present time. Here, obviously, there is a fundamental difference between the oil producers and exporters and the countries which are major oil importers. And these importers, be they big countries or small, are very much affected by uncertainty about oil prices and guaranteed supplies. They have that in common. I also think it would be wrong, in spite of their diversity, to neglect the fact that they have structural characteristics in common that make them even more vulnerable to economic events. Their ability to adjust to change is more limited than that of the countries of the North. Their industrial structure, even of those which have gone part way along the path to industrialization, is still young and fragile. They still need protecting at this stage. They are still feeling the effects of our industrial centres, our major multinationals. They depend on our banking structures."

A specific role for Europe

"I think that Europe certainly has special interests of its own in the negotiations because it is, to a certain extent, in the most vulnerable position and it is more committed to economic and com-

mercial relations with the countries of the Third World. Europe is vulnerable because it is far less rich in energy than America and the USSR. And it depends on outside sources for most of its raw materials. Its external trade is much more diverse and much larger than America's, for example. The markets of Africa, Asia and Latin America play a part in the European market, so Europe has every interest in stabilizing economic and commercial relations with these countries. It also has a political interest in maintaining peace in the Third World."

Few risks of confrontation

Since the initiative for the new negotiations came from the developing countries, Mr Ripert believes that the time is ripe for an agreement. "This is not the last chance of success, but there is no leaning towards confrontation this time. If we are to re-establish real confidence between the partners, we have to get results. There is concern with success and so there are fears about the conditions of it. And the area in which there could well be, not confrontation but discussion or maybe tension, is the way we play our chances of success. The Western position on this is reflected in the concern that we must at all costs be selective in the choice of subjects. We must not try to deal with too many questions and we have to decide which questions are ready to be dealt with so that it is possible to reach proper agreement in a few months. This position has met with a certain amount of reserve in the South—they say yes to selectivity, but suspect that it might be a pretext for discussing only the subjects that interest us, energy or other urgent topics where fewer changes are called for. The developing countries want to see the structural problems tackled seriously," Mr Ripert said. ○

UNEP

1980 report: Development without Destruction

The 1980 report of UNEP's executive director, Dr Mostafa K. Tolba, a microbiologist, calls for national and international action to plan ahead with environmental needs in view. Dealing with five subjects, the report covers a representative cross-section of today's "human and environmental dilemmas".

One such dilemma is examined in a chapter on transport and the environment. A developing international economy requires people in greater numbers and goods in greater quantities to be moved around the world. UNEP says the problem is how to balance transport and environmental requirements. The report recognizes, for example, that people want to own more cars, but urges in the interests of

energy efficiency and social justice that countries not neglect public transport.

In the chapter on carbon dioxide and the climate, the report deals with a less obvious problem, and one "fraught with very large scientific uncertainties". Carbon dioxide (CO₂) is produced when fuels like coal, oil or wood are burned or when forests are cleared. Accurate measurements from the last 20 years show that CO₂ is accumulating in the atmosphere.

Like glass in a greenhouse, it is believed the CO₂ is trapping heat. The consensus is that the "greenhouse effect" will lead to a global warming, although how this will affect the climate is far from clear.

So long as we know so little about what makes the climate change and even about the way the planet recycles CO₂, no accurate predictions can be made. UNEP says the number one priority is to learn more about these mechanisms and effects.

UNEP recommends that countries follow the example of China and South Korea and begin a massive tree-planting programme. Nations should also give "urgent consideration" to building up alternative energy supplies like solar power and windpower.

The effects of so-called heavy metals like lead or tin on environmental health is another subject in the report that is shrouded in scientific uncertainties. Humans exposed to large doses of certain metals have been seen to suffer from kidney damage, nervous disorders, cancer and so on. But there are important gaps in our knowledge about the way the body reacts to metals and also about the forms in which these metals enter the environment.

The hazard to health is increasing because every year the world's industries are using greater quantities of metals.

Like inhalation, food is a major "pathway" of metals into the body. It is known that wheat and rice can absorb metals from contaminated soil. Fish and shellfish caught in heavily polluted water can pose another hazard.

The closest metals come to posing a universal threat is through lead pollution. Almost half a million tons are pumped into the air every year—most coming from car exhausts. Too much lead in the blood can cause brain damage and those most at risk are children.

Children are generally the section of society most vulnerable to environmental stress. In the wake of the International Year of the Child, the UNEP report considers the plight of millions of children at risk from disease, pollution, poor housing, dirty water and bad sanitation.

Being born in a developing country can be a cruel lottery. In 1975, for example, an African child stood a 10 times greater chance of dying in his first

year than a child in North America. Most children die from diseases, such as cholera and typhoid, associated with dirty water. The WHO has estimated that up to 80 per cent of disease cases are traceable to impure water and poor sanitation.

At present many scarce resources are being squandered on defence spending. The UNEP report says that the arms race "is competing for resources with other forms of development which are essential if the quality of life in the world is to be raised to more acceptable levels". At present a staggering 40 per cent of the world research and development expenditure is devoted to "defence".

In its chapter on the environmental effects of military activity the UNEP report says that modern warfare "now

constitutes the greatest single threat to man and his environment". The world currently spends well over \$400 billion a year on building up an arsenal of deadly conventional, chemical, biological and nuclear weapons. Their use in war could cause soil erosion, desertification and depletion of the ozone layer which filters out harmful ultraviolet rays. Clearing up the debris caused by modern warfare would stretch a Third World country's resources to the limit.

By concentrating on the effects of arms spending, transport, the accumulation of heavy metals and carbon dioxide, and the problems of children, the 1980 environment report shows that man has little cause for complacency about the impact of his activities on his surroundings. We are all at risk, but children most of all. ○



Efficient transport is essential for modern development but can have costly and unwelcome side-effects on the environment

COMMONWEALTH

Higher target for aid fund

The board of representatives of the Commonwealth Fund for Technical Co-operation, the development agency which is a part of the Commonwealth Secretariat, has agreed on a plan of expenditure for activities in 1980/81 of £11.8 million (US \$27.5 m) subject to resources being available. CFTC expenditure in the current year, ending 30 June, is estimated to be £9.5 million (US \$22 m).

The CFTC provides experts, finances training and helps to promote exports for developing Commonwealth countries. Its funds come in voluntary subscriptions from all member countries, both developed and developing.

A few countries have already announced contributions for the new year. Canada is to provide C\$10 million against C\$8.8 million this year. Britain will provide 30 per cent of expenditure. Malaysia has raised its pledge by 50 per cent to £50 000. Tonga has increased its contribution by a third and Uganda by 25 per cent. Most countries are expected to determine their contributions by the next meeting of the board in September.

When the board met in London, in May, the secretary-general, Shridath Ramphal, reported on significant aspects of CFTC activity in the past year. Its headquarters experts group had helped many governments negotiate with multinational companies and prepare the legal and fiscal framework for mineral and petroleum development. Several countries had been helped to win new markets for exports; two countries had benefited from advice to diversify their tourist sources. CFTC experts were helping governments in key sectors, and CFTC-financed training was helping countries to expand their professional and technical cadres.

The High Commissioner for Tonga in London, Inoke F. Faletau, was elected chairman of the board. He succeeds the High Commissioner for Bangladesh, A. R. Shams-ud-Doha, who becomes vice-chairman. The following countries were elected to the CFTC's committee of management: Australia, Britain, Canada, Cyprus, India, Malaysia, New Zealand, Nigeria, Trinidad and Tobago, and Tanzania.

Training diplomats for Zimbabwe

Senior diplomats from several Commonwealth countries are training the first batch of diplomats for Zimbabwe in

a course quickly arranged by the Commonwealth Secretariat after a call for assistance from the Prime Minister, Robert Mugabe.

The five-week course started in Salisbury on 13 May for 40 officials picked to serve in Zimbabwe's Ministry of Foreign Affairs and in its first diplomatic missions abroad. Among them will be Zimbabweans who worked abroad as representatives of the liberation movement.

E.M. Debrah, who has been Ghana's High Commissioner in London, directed the course. A number of diplomats and officials addressed the course including Michael McGeever, the EEC's delegate in Botswana, Lesotho and Swaziland.

REGIONAL GROUPS

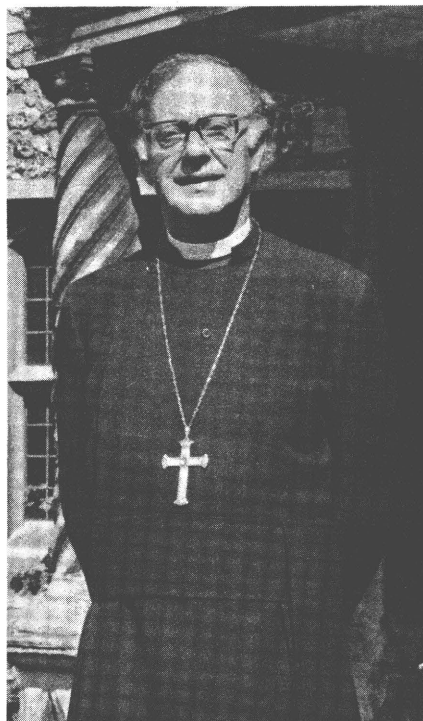
Eastern and southern African states prepare draft treaty

The seventh meeting of the inter-governmental negotiating team on a treaty to establish a preferential trade area among the eastern and southern African states ended on 7 June with the

Pope and Archbishop in Africa

A "visit of friendship and peace"

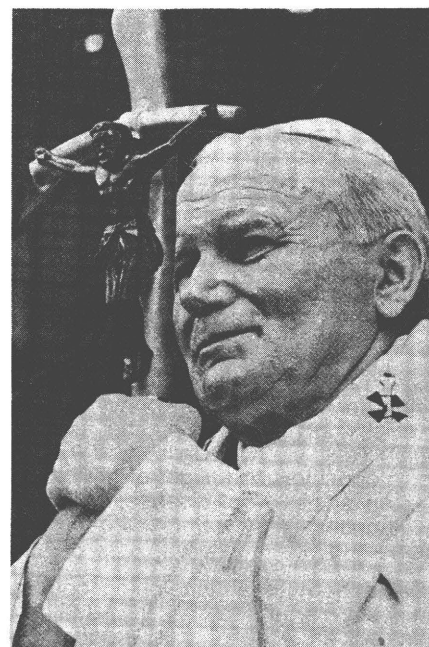
In May the Pope visited six countries in Africa: Congo, Ghana, Ivory Coast, Kenya, Upper Volta and Zaire. When he landed he followed the tradition he has established of kissing the



soil (below). He spoke of the contribution that Africa's strong sense of the family, the community, and its spirituality could make to the world. In all the countries he visited the Pope was met by large crowds, especially in Zaire, which has the largest Catholic population in Africa.

In Ghana he met for the first time the leader of the world's Anglican community, Dr Robert Runcie, Archbishop of Canterbury (centre). In a joint statement they agreed to meet again and "looked forward to working together to achieve unity".

Dr Runcie's tour of Africa included the inauguration of the Anglican diocese of Burundi, Rwanda and Zaire, the first in French-speaking Africa. ○



adoption of a draft treaty and four protocols. The protocols—12 altogether—cover, inter alia, re-exports within the zone of goods imported from third countries, standardization and quality control of goods, transit trade, cooperation in agricultural and in industrial development, rules of origin of goods, clearing payments arrangements, the unique situation of Botswana, Lesotho and Swaziland, the reduction and elimination of trade barriers on selected commodities. The draft treaty and protocols will be examined at a ministerial meeting scheduled to take place in Kampala (Uganda) next October. Before the end of the year, it is hoped that the heads of state and government, by signing the treaty, will make the trade area an accomplished fact. It is meant to be a first step towards the creation of a common market in 10 years time with the ultimate objective of welding the members into an economic community. The eastern and southern Africa subregion of the ECA has 18 member states: Angola, Botswana, Comoros, Djibouti, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Seychelles, Somalia, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. ○

KAMPUCHEA

Community announces substantial new pledges of aid to Cambodian people

The European Community and its member states pledged US\$ 83.6 million to the victims of events in Kampuchea at the two-day UN conference which finished in Geneva on 27 May (1).

EEC pledges represent a substantial contribution to the US\$ 181 million which UNICEF and the Red Cross estimate will be needed for the purchase of food and rice seed by the end of this year.

Community aid could be operational in the next few days, Klaus Meyer, the European Commission's director-general for development, told the meeting. It will be available, without distinction, to all victims of the events in Kampuchea, whether in Kampuchea itself, Thailand or Vietnam. As in the first phase of the relief operation, to which the Community and its member states contributed US\$ 80 million in 1979 (40% of the total), Community aid will be channelled through both public international organizations (ICRC, UNICEF, UNHCR, etc.) and non-governmental organizations.

Mr. Meyer drew attention to the obstacles which continue to hamper the relief effort, particularly inside Kam-

puchea. He called for the regularization and improvement of camps on the Thai border, and provision for a road bridge to transport supplies across the border into Kampuchea. He also emphasised the importance of a direct air link between Bangkok and Phnom Penh; a general call at the conference which is reported to have been heeded by the authorities in Phnom Penh.

Mr Meyer said there must be more relief and medical personnel working inside Kampuchea, improved transport and distribution of aid based on need, particularly to the provinces.

Mr A. Gunnella, Italian secretary of state for foreign affairs and representative of the country holding the presidency of the Council of Ministers, speaking on behalf of the European Community, regretted and deplored the absence from the meeting of some of

the parties most directly interested. Neither Vietnam nor the East European countries attended.

He stressed that the tragedy of the Cambodian people could not be entirely resolved until a political solution to the crisis was found. He called in particular for the withdrawal of foreign troops. It was clear, he said, that peace, the creation of a truly free, independent and sovereign Kampuchea were vital if the exodus of the Khmer people was to be staunch.

Both Mr Gunnella and Mr Meyer paid tribute to the work of the international humanitarian organizations which were working to assure the survival of the Cambodian people, and to the Thai government, which had accepted so many refugees on its territory at great cost to its own people. ○

EUROPEAN COMMUNITY

European summit in Venice

The nine heads of state and government of the European Community met in Venice on 12-13 June under the Italian presidency. They adopted a declaration on the Middle East, and on Afghanistan, and considered the prospects for enlarging the EEC to include Spain and Portugal.

The summit welcomed the conclusions reached on 29 and 30 May by the Council of Ministers of the Community (see below). These conclusions enabled a solution to be found to the problem of the United Kingdom's contribution to the Community budget, led to an agreement on 1980/1981 farm prices and on the sheepmeat problem and defined the guidelines for a comprehensive common fisheries policy. The outcome of these discussions has led to finalization of the 1980 budget, thereby normalizing the working of the Community.

A key feature of the agreements is the Community commitment to implement structural changes which will enable each member state to become more closely identified with Community objectives and with the deepening process of European integration.

Economic review

A review of the economic and social situation confirmed the judgements expressed at the European Council meeting on 27 and 28 April 1980.

In particular, concern was expressed at the hardening inflationary pressures, which represent the gravest threat to the stability and the development of the member states' economies; these

pressures also pose a threat because of the varying degrees to which they are evident in the various countries of the Community.

The major short-term objective is to contain inflation by means of appropriate monetary and fiscal policies, coupled with measures to sustain investment and cope with the employment situation while keeping external imbalances within acceptable bounds.

Given the slow-down in demand which is appearing in other major economic areas, stress was laid on the importance of action to ensure that the risk of a general recession in demand is averted through appropriate international collaboration.

In the face of the increasingly disturbing employment situation, particularly as regards young people, there was reaffirmation of the priority need, in some of the member states, for short-term structural measures in the context of an active employment policy.

The leaders agreed that it was essential that the Community should be in a position to evaluate systematically the impact on employment of the various Community policies from the time of their inception, to ensure a better co-ordination of employment policies at Community level and to harmonize Community action in the field of economic policy with that taken in the social and employment fields.

The outcome of the social affairs Council on 9 June 1980 was noted with satisfaction, especially as regards the consultations between employers and labour. The Council is asked to continue its proceedings with a view to achieving the above objectives, on the

(1) EEC aid breaks down as follows: the Community as such pledged \$39 million (\$28 m. in cash; \$11 m. in food aid); individual member states pledged a further \$44.6 million.

basis of periodic reports from the Commission on the employment situation.

In the belief that in 1980 the decline in growth rates in the various industrialized areas would be quite sharp, among other things because of the rise in crude oil prices, the commitment to take an active part in strengthening the open and multilateral international trade system was renewed, in accordance with the statement by the member countries of the OECD at the ministerial meeting on 3 and 4 June 1980. In particular, the hope was expressed that all the industrialized countries would do their utmost to confront and resolve the outstanding trade problems, adopting solutions in line with the content and spirit of the outcome of the Multilateral Trade Negotiations.

With reference to the conclusions of the European Council in Luxembourg on 27 and 28 April 1980, a further examination of the international monetary situation took place. This was seen still to be dominated by the problems of the huge balance of payments disequilibria stemming from recent oil price increases. Righting of these imbalances can only be effected in the long term by means of stabilization of the terms of trade and the necessary real adjustments to EEC economies.

The recycling of oil surpluses can in the short term attenuate the negative effects of these imbalances. This process, to which the private capital market has an essential contribution to make, must be backed up by development of the role of international financial institutions.

Stress was laid on the primary importance of the North-South dialogue for the stability of international relations. It is intended that a further boost should be given to cooperation with the developing countries. This should contribute, on the basis of interdependence and mutual advantage, to creating the degree of economic expansion required, in the context of a restructuring of international economic relations, to enable the developing countries to make rapid progress.

With this in view, the need remains for a political commitment to the global negotiations, to finalizing the Third International Development Strategy, to the agreements on the statutes of the common fund for the stabilization of raw material prices and the continuation of the negotiations on commodities.

Much is expected of the 11th special session of the United Nations General Assembly. The report of the Brandt Commission could, it is felt, make a particularly interesting contribution to its successful outcome.

Inevitably, concern was expressed about the effect on development policy of the continuing increases in crude oil prices and of the economic and political tensions to which these have given rise.

Particular attention was devoted to the worsening international energy crisis. The decisions of the Council of

Ministers (energy) on 13 May and 9 June to reduce the ratio between the growth of GNP and increased energy consumption and the share of oil in the Community's energy budget were noted with satisfaction. The keenest concern was expressed at the further pressures for a price increase brought to bear in Algiers; it was pointed out that no objective grounds existed for increasing the price of crude at the present time.

The repetition of such increases constitutes an obvious threat to international stability. Its effects upon the phenomenon of inflation and consequently upon economic expansion, investment, employment and the balance of payments give rise to intolerable burdens for the industrialized regions and even more so for the emergent countries, the latter being confronted with truly insoluble problems of readjustment which can clearly not be resolved by recycling alone.

These aspects of the crisis, which were to be highlighted at the following economic summit, must be given their full weight.

The Community remains willing to enter into a dialogue with all the countries concerned. It regrets, however, that the recent OPEC decisions may have made such a dialogue more difficult to achieve.

The European Council adopted the following declarations on the Middle East, Lebanon and Afghanistan

"The Heads of State and Government and the Ministers of Foreign Affairs held a comprehensive exchange of views on all aspects of the present situation in the Middle East, including the state of negotiations resulting from the agreements signed between Egypt and Israel in March 1979. They agreed that growing tensions affecting this region constitute a serious danger and render a comprehensive solution to the Israeli-Arab conflict more necessary and pressing than ever.

The nine Member States of the European Community consider that the traditional ties and common interests which link Europe to the Middle East oblige them to play a special role and now require them to work in a more concrete way towards peace.

In this regard, the nine countries of the Community base themselves on Security Council Resolutions 242 and 338 and the positions which they have expressed on several occasions, notably in their Declarations of 29 June 1977, 19 September 1978, 26 March and 18 June 1979, as well as in the speech made on their behalf on 26 September 1979 by the Irish Minister of Foreign Affairs at the 34th United Nations General Assembly.

On the bases thus set out, the time has come to promote the recognition and implementation of the two principles universally accepted by the international community: the right to existence and to security of all the States in the region, including Israel, and justice for all the peoples, which implies the recognition of the legitimate rights of the Palestinian people.

All of the countries in the area are entitled to live in peace within secure, recognized and guaranteed borders. The necessary guarantees for a peace settlement should be provided by the UN by a decision of the Security Council and, if necessary, on the basis of other mutually agreed procedures. The Nine declare that they are prepared to participate within the framework of a comprehensive settlement in a system of concrete and binding international guarantees, including (guarantees) on the ground.

A just solution must finally be found to the Palestinian problem, which is not simply one of refugees. The Palestinian people, which is conscious of existing as such, must be placed in a position, by an appropriate process defined within the framework of the comprehensive peace settlement, to exercise fully its right to self-determination.

The achievement of these objectives requires the involvement and support of all the parties concerned in the peace settlement which the Nine are endeavouring to promote in keeping with the principles formulated in the declaration referred to above. These principles apply to all the parties concerned, and thus the Palestinian people, and to the PLO, which will have to be associated with the negotiations.

The Nine recognize the special importance of the role played by the question of Jerusalem for all the parties concerned. The Nine stress that they will not accept any unilateral initiative designed to change the status of Jerusalem and that any agreement on the city's status should guarantee freedom of access for everyone to the Holy Places.

The Nine stress the need for Israel to put an end to the territorial occupation which it has maintained since the conflict of 1967, as it has done for part of Sinai. They are deeply convinced that the Israeli settlements constitute a serious obstacle to the peace process in the Middle East. The Nine consider that these settlements, as well as modifications in population and property in the occupied Arab territories, are illegal under international law.

Concerned as they are to put an end to violence, the Nine consider that only the renunciation of force or the threatened use of force by all the parties can create a climate of confidence in the area, and constitute a basic element for a comprehensive settlement of the conflict in the Middle East.

The Nine have decided to make the necessary contacts with all the parties

concerned. The objective of these contacts would be to ascertain the position of the various parties with respect to the principles set out in this declaration and in the light of the results of this consultation process to determine the form which such an initiative on their part could take."

Lebanon

"The Nine reiterate once again their total solidarity with Lebanon, a friendly country whose equilibrium is seriously jeopardized by the clashes in the region and renews its urgent appeal to all the countries and parties concerned to put an end to all acts liable to affect Lebanon's independence, sovereignty and territorial integrity as well as the authority of its government. The Nine will support any action or initiative likely to guarantee the return of peace and stability in Lebanon, a factor which constitutes an essential element in the equilibrium of the region.

The Nine stress the importance of the role which should be played by the United Nations Interim Force in Lebanon (UNIFIL) in southern Lebanon. The Nine recall the Declaration which they made in Luxembourg on 22 April 1980 and stress that it is essential for all the parties concerned to allow the UNIFIL to implement to the full the mandate assigned to it, including that of taking control of the territory up to the internationally recognized boundaries."

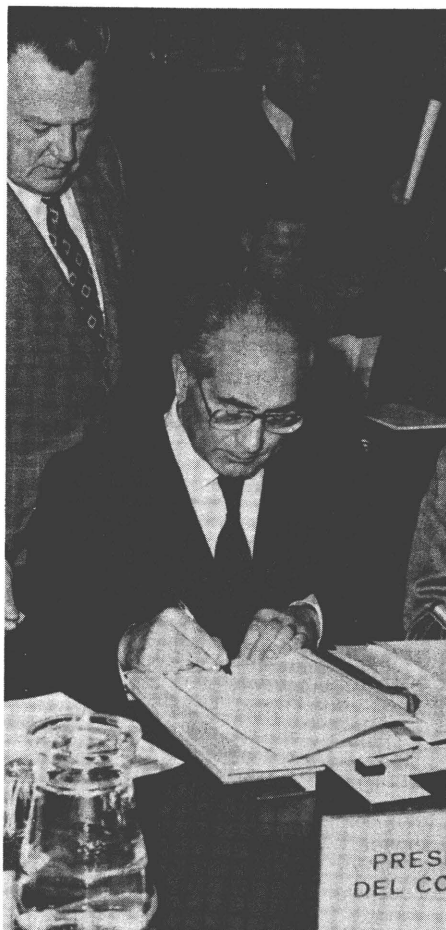
Afghanistan

"The European Council has noted with deep concern the intensification of the military operations conducted by the Soviet troops in Afghanistan.

These dramatic developments increase still further the sufferings of the Afghan people. They emphasize the genuinely national nature of the resistance offered by an entire people. They threaten to jeopardize the climate of international relations for a long time to come.

In these circumstances, the European Council wishes to reaffirm its conviction that it is necessary to find without delay the means of reaching a solution which, in keeping with the Resolution of the United Nations General Assembly, would ensure the withdrawal of Soviet troops and the free exercise by the Afghan people of the right to determine their own future. It reiterated its view that a solution could be found in an arrangement which allowed Afghanistan to remain outside the competition among the powers and to return to its traditional position as a neutral and non-aligned State.

It recalls that it proposed in Luxembourg, on 28 April, that the great powers and the neighbouring States should undertake the necessary commitments to this end: in particular, they should



Italian foreign minister Emilio Colombo, who chaired the Council meeting which resolved the problem of Britain's contribution to the EEC budget

agree to respect the sovereignty and integrity of Afghanistan, to refrain from any interference in its internal affairs and renounce any stationing of troops on its soil or any form of military association with it.

The European Council shares the concern expressed and the conclusions drawn by the 11th Conference of Foreign Ministers of Islamic States on the continued Soviet military presence in Afghanistan and has noted with great interest the creation by this Conference of a Committee to seek ways and means for a comprehensive solution of the grave crisis in respect to Afghanistan.

The Council repeated its readiness to support any meaningful initiative designed to promote a solution of the Afghan crisis."

Conclusions on the United Kingdom contribution to the financing of the Community budget reached on 29-30 May and approved in Venice

The net United Kingdom contribution for 1980 will be calculated on the basis

of the present Commission estimate (1 784 mEUA). 1 175 mEUA will be deducted from this figure. This leaves a United Kingdom contribution of 609 mEUA for 1980.

The net United Kingdom contribution for 1981 will be calculated on the basis of the Commission estimate of 2 140 mEUA. The United Kingdom's 1980 net contribution will be increased by a percentage equal to the difference between 1 784 and 2 140 mEUA, namely 19.9% or 121 mEUA. The net United Kingdom contribution for 1981 therefore becomes 730 mEUA.

The United Kingdom contribution, based on the above calculations, is reduced for 1980 and 1981 by 2 585 mEUA (1 175 plus 1 410).

If the United Kingdom's actual contributions for 1980 and 1981 are higher than 1 784 and 2 140 mEUA respectively the difference will be split: for the first year 25% will be borne by the United Kingdom and 75% by the other 8 Member States. For the second year: increase from 730 to 750 mEUA to be borne in full by the United Kingdom; from 750 to 850 mEUA, 50% to be borne by the United Kingdom and 50% by the other eight Member States; above 850 mEUA, 25% to be borne by the United Kingdom and 75% by the others.

For 1982, the Community is pledged to resolve the problem by means of structural changes (Commission mandate, to be fulfilled by the end of June 1981: the examination should concern the development of Community policies, without calling into question the common financial responsibility for these policies, which are financed from the Community's own resources, nor the basic principles of the common agricultural policy. Taking account of the situations and interests of all Member States, this examination will aim to prevent the recurrence of unacceptable situations for any of them). If this is not achieved, the Commission will make proposals along the lines of the 1980-1981 solution and the Council will act accordingly.

Statement by the Commission on the results of the Council

"The Commission warmly welcomes the agreement now reached on the complex of problems involving the British budgetary contribution, the agricultural price settlement for 1980, principles to guide the common fisheries policy, and the establishment of a regime for sheepmeat. So long as the outcome was in doubt, the coherence of the Community itself was in peril. But on the basis of the agreement, we can now look forward both to the strengthening and to the further evolution of the Community in response to the changing circumstances of our time." ○

BELGIUM

New Martens cabinet

Since May, Belgium has had a new foreign affairs minister—Charles-Ferdinand Nothomb, who took over from Henri Simonet. Mr Nothomb's previous post was as president of the chamber of representatives.

The new minister, who is married and has three children, holds a doctorate in law (1957) and a degree in economics (1958). He began his career as chargé de recherches at the University of Louvain and then went into the Ministry of Foreign Affairs, to the studies department. After a period in the cabinet of the minister for African affairs, he became adviser to the minister of economic affairs in the Province of Equateur in Zaire, before going on to be adviser in the department of economic and social affairs at the UN in New York in 1961. After a number of study trips, he went back to teaching, this time as professor of political economy at the Catholic institute of advanced business studies. He was appointed chargé de mission in the cabinet of the minister for French culture in 1965-68 and then elected MP for Arlon-Marche-Bastogne in 1968, a seat to which he was subsequently re-elected.

From 1968 to 1973, Mr Nothomb was a member of both the Council of Europe and the parliamentary assembly of the Western European Union. From 1972 to 1976 and 1977 to 1979 he was the national president of the Christian



Charles-Ferdinand Nothomb

Socialist party. He is a member of the political bureau of the European People's Party.

Since the cabinet shuffle, Mark Eyskens has been in charge of cooperation. ○

EMS

Europe has made an irreversible choice

The European Monetary System came into effect on 13 March 1979, an important step along the path to European integration. By adhering to this agreement, the countries of the Community are trying to make Europe a zone of financial stability with its own identity on the international political scene.

This is how Emilio Colombo, Italian foreign affairs minister and president in office of the Community Council, introduced his lecture to commemorate European Day at the University of Fribourg on 21 May.

The experience of this first year of the European Monetary System has shown that better synchronization of monetary policies is not enough to counter the tendency towards inflation that the economies of Europe display, Mr Colombo said. To ensure greater integration, all the structural characteristics of the national economies have to be dealt with as, unless the economies are harmonized, we cannot count on the agreement on the exchange rates.

As Mr Colombo sees it, the EMS has not so far favoured the restructuration of the international monetary system or made it possible to make the choice which are the prior condition for such action. Its creation has not represented the definition of a position *vis-à-vis* the dollar, nor the choice of an international position for the European economy.

Even if the agreement was adhered to during the first year without any overburdensome cost to the economies involved, we should beware, the Italian minister said, of drawing over-optimistic conclusions. "The strengthening of the European Monetary System is a political necessity" which it is impossible to ignore "at such a delicate period in the Community's history".

The first thing to do is to devise the common exchange policy as an instrument for the harmonization of all aspects of the economic policy of the countries of Europe (wages, investments, tax, regional policy and so on).

Secondly, it must be realized that the EMS will not contribute to the establishment of a new international economic and monetary order unless its position *vis-à-vis* the dollar and the American economy are clearly defined. Along the same lines, it is important, the president

of the EEC Council felt, to make the EMF, now being set up, "a genuine reserve fund able to issue credits, numbered as European units of account and offered in exchange for credits in dollars". By this means, the EMF would make a direct contribution to overcoming all the fundamental aspects of the international monetary crisis.

These plans call for considerable political commitment on the part of the countries of Europe. The EMS will not be strengthened unless the political will from which it emerged can be revitalized. An effort is certainly required as, if the EMS fails, there will be serious repercussions on the whole process of European integration. And, Mr Colombo concluded, Europe's decision cannot be reversed. ○

FINANCE

NIC, one year old, may be expanded

Last year, the Community lent just over £170 million to the United Kingdom, Ireland and Italy under a completely new scheme to support energy and infrastructure projects.

The money came from the New Community Instrument—known in Brussels more familiarly as the NIC or the Ortol Facility after the economics commissioner, François-Xavier Ortol, who championed its creation.

The latest loans from the NIC are two for Ireland amounting to Ir£9.7 million to help develop peat bogs for fuel production, and one for Italy of £1 million to help improve electricity services.

The Community is currently setting great store on the need to cut oil imports and develop alternative and indigenous sources of energy. Last year, the NIC played its part in this strategy as well.

For example, just under £16 million went to the construction of a natural gas 270 MW power station at Aghada (Co Cork, Ireland) and more than three times that sum was lent to the hydro-electric power station at Dinorwic in North Wales.

£28 million was allocated to energy projects in Italy. Under the first, in Piedmont, a hydro-electric pumping station will replace several out-dated, high-consumption oil-fired power stations. The second develops the use of geothermal energy in Tuscany.

Under the agreement creating the NIC, the Community is authorized to borrow £620 million on international

capital markets and lend them money to encourage infrastructure and energy projects.

£310 million has already been raised and the Commission is now seeking to double this sum. But it would like to extend the scope of the loans to include housing and advance factories.

The Commission argues that this is a logical extension of the NIC's role of fostering the revival of economic activity.

To qualify for support, the projects would have to meet certain criteria. They would need to be submitted by national authorities; be part of coordinated programmes; and encourage the growth of economic productivity.

The Commission and the European Investment Bank in Luxembourg work in close consultation in both raising and disbursing the loans. The Commission borrows the funds and places them in its own account at the Bank, which examines the projects and decides whether to grant the loan, after the Commission has said they are eligible for support. ○

EEC-JAPAN

Community worries about Japan's trade surplus

The high-level consultations that take place with Japan every six months were held on 19-21 May in Brussels this time. Sir Roy Denman, head of external relations at the EEC Commission, and Mr Kikuchi, deputy foreign affairs minister, attended. The two delegations held a useful exchange of views on a whole range of questions (the economic situation in the Community and Japan, trade relations, preparation of the North-South dialogue, etc.).

The trends in the EEC-Japan trade balance was the focus of the Community's concern because of the increase in Japan's surplus.

As the table shows, The Community's trade deficit with Japan went from 1 100 million EUA in 1973 to 5 200 million EUA in 1979 and the rate of import-export coverage dropped from 67.8% to 47.3% over that period.

EEC-Japan trade figures 1973-1979

| | Imports from Japan ('000 EUA) | Exports to Japan ('000 EUA) | Deficit ('000 EUA) | Rate of coverage (%) |
|------|-------------------------------|-----------------------------|--------------------|----------------------|
| 1973 | 3 399 | 2 306 | 1 093 | 67.8 |
| 1974 | 4 376 | 2 769 | 2 607 | 63.2 |
| 1975 | 4 826 | 2 227 | 2 599 | 46.1 |
| 1976 | 6 399 | 2 722 | 3 678 | 42.5 |
| 1977 | 7 668 | 3 092 | 4 576 | 40.3 |
| 1978 | 8 711 | 3 726 | 4 985 | 42.7 |
| 1979 | 9 792 | 4 632 | 5 160 | 47.3 |

In spite of the fact that the Community deficit grew more slowly in 1979 (the Japanese policy of stimulating imports (+ 40%) and stabilizing exports (+ 6%) was behind this), the Community's improvement to its relative position was not so good as that of Japan's other trading partners. Japanese imports from the Community grew more slowly (+ 25%) and exports to the EEC grew faster (+ 14%) than average.

In the early months of 1980, the situation came to be cause for concern. No increase in Japanese imports (particularly of manufactures) is planned and exports are now increasing again. Forecasts, corroborated by the Japanese statistics for the first quarter of 1980, reveal an unfavourable trend in the exchange rates of several European currencies against the yen and the dollar.

This situation, which is worrying in itself, has to be viewed within the context of the pessimistic Community forecasts on the growth rate, unemployment, inflation and the EEC's trade balance.

The experts have taken stock of the difficulties holding back the development of Community exports to Japan, in spite of the real progress recorded in 1979 (in particular as regards the Japanese authorities' acceptance of the results of European tests on certain industrial products).

The Commission said it appreciated the obvious spirit of cooperation on the Japanese side, but stressed that further improvements to the EEC's export situation was an important aspect of relations between the Community and Japan. ○

THE MEDITERRANEAN

The EEC joins in the fight against pollution in the Mediterranean

On the EEC's behalf, ambassador Falchi, head of the Italian delegation, and Mr Carpentier, director-general at the Commission, signed the protocol which 11 Mediterranean countries and the European Community signed in Athens on 17 March this year. The aim is to protect the Mediterranean Sea against pollution from the land. The protocol was negotiated as part of the UNDP programme for regional seas and it is available for signing until 16 May 1981.

This is a major legal document. It was adopted within the framework of the Barcelona Convention on the protection of the Mediterranean against pollution and it covers polluted waste from the territories of the signatory states on its shores.

They and the countries of the EEC have agreed to eliminate pollution from

certain particularly dangerous substances (black list) and considerably reduce pollution from other, less harmful substances (grey list).

It should be noted here that, in 1976, the Community introduced its own internal rulings that are in line with the various aspects of the Athens protocol.

- The protocol contains provisions on:
- cooperation in science and technology;
 - the definition and implementation of training and assistance; programmes for the developing countries in the region;
 - continuous supervision against pollution;
 - an exchange of information between the contracting parties on measures taken and results obtained.

The EEC Commission says that the adoption and signing of the Athens protocol illustrate the political desire of the developed and developing countries to solve common problems like pollution in the Mediterranean. ○

EUROPEAN PARLIAMENT

A victory for the Community

Speaking to the agriculture committee of the European Parliament in Brussels, Mr Gundelach welcomed the agreement which had avoided the outbreak of a severe crisis over the national contributions to the Community budget. "In the last few days, the Community has been to the brink. Without a settlement on the budgetary issue, national agricultural measures could have been introduced and these would undoubtedly have affected the free trade of agricultural produce. This might have triggered off restrictive measures in industrial trade, thereby undermining the very fabric of the Community: it could have ceased to exist within a matter of weeks. The achievements have therefore been enormous. It is quite wrong to analyse the results trying to find who are the winners and who the losers. There is only one real winner: that is the Community, and that is Europe."

Mr Gundelach said that, however serious the past few weeks had been for Europe, the outcome of the negotiations had given an encouraging confirmation of the precedence of Community solidarity over nationalistic tendencies. Not least, it had shown once more that the Community institutions can find the necessary solutions even under the most difficult circumstances, if they cooperate as well as they have done on this occasion. This renews faith in the functioning of the Community and will help to restore a climate of confidence between member states. Only in an atmosphere of mutual confidence will it

be possible to carry out the necessary improvements of the common agricultural policy.

Dealing with the agricultural price review, Mr Gundelach described it as another substantial step towards coping with the serious market and budgetary problems that beset the common agricultural policy. The continued price moderation and the reinforced measures to stem the milk flow represent an important breakthrough in the attack on agricultural surpluses and their budgetary consequences.

This will be the fourth successive year of prudent pricing for agricultural commodities. The combined effect of the price increase in units of account and the price changes due to green money adaptations averages 5.7%, while general inflation is expected to be 12% for the year. This is a fair compromise between the need for a prudent price policy and the income requirements of the farming sector. Most prices have been increased by between 5 and 7.5%. Price prudence is more marked in the surplus sectors of milk and sugar.

The elements needed for a solution of the milk problem are now in place after a steady three-year advance, said Mr Gundelach.

The new common market organization for sheepmeat represents another victory for the Community in that it ends protracted and difficult negotiations, negotiations which at times became detrimental confrontations. The agreement demonstrates clearly that the Community can devise schemes suited to conditions in all member states. And, because of the high concentration of sheep farmers in less-favoured areas, the market organizations will provide a real reinforcement to EEC structural measures.

Although important progress has been achieved in this price review, it should not distract attention from the need for further improvements, Mr Gundelach said.

South Africa

At its last plenary session, the European Parliament passed a motion tabled by the British Labour member Mrs Barbara Castle, supported by the Socialist and EPP groups, the Italian Communists and some British Conservatives. The resolution expresses Parliament's support for the oppressed majority in South Africa in their efforts to get basic human and political rights, and calls for the immediate release of Nelson Mandela and other members of the African National Congress imprisoned for political reasons. Mr Adam, for the Socialist group, pressed for Parliament to send a "message of hope" to all oppressed people in the Third World. Mr Bersani, for the EPP group, stressed the need for South Africa to develop towards a multiracial and democratic country. Mr Moreland of the British Conservatives said that South Africa

was too important an issue to be dealt with so quickly on a Friday morning. He said that a South African leader had told him that the Parliament adopted a good deal of motions but failed to do anything for the country. Parliament accepted an amendment by Mr Moreland urging the South African government to realise that the present wave of violence in the country would continue so long as legislation was oppressive and bureaucratic and blacks, coloureds and Asians were not allowed to play their full part in the running of the country. Finally, Mrs Roux expressed the French Communists' support for the motion, but stressed they had no illusions as to its effects.

Liberia

The Parliament, following the recent violation of the French embassy in Monrovia, has asked the foreign affairs ministers of the Nine meeting in political cooperation to "review Community relations with the Liberian government, as a signatory of the Lomé Convention". This was done through a resolution presented by the Conservative, EPP, Liberal and European Progressive Democrats' groups, which in addition invites the Liberian government "as party to the Vienna Convention, to immediately take all the necessary measures to restore the status quo". ○

EEC-ARAB FUNDS

Representatives of a number of Arab funding agencies met EEC officials in Brussels on 17 June to improve EEC-Arab co-financing for development projects, mainly in Africa.

Opening the meeting, development commissioner Cheysson described co-financing as "significant and important". It allowed the mobilization of more funds for "increasingly expensive" major projects, better-informed project preparation and control and a wider mix of financial terms, as well as confirming the EEC's non-aligned approach to development funding. OPEC Fund director Ibrahim Shihata said co-financing was "becoming more or less the general rule". ○

SUGAR

Agreement on sugar prices 1980/81

Negotiations between the EEC and the ACP states sugar exporters have just ended. The discussions concerned prices to be guaranteed by the Community for the marketing year from 1st July 1980 to 30 June 1981. After taking note of the Community offer and having made their own observations, the ACP negotiators accepted the Community offer involving increases (compared with the previous marketing year) of:

5.16% for raw cane sugar, 5.3% for raw sugar. These are identical to the increases from which Community producers benefited from. However, the ACP states made the following provisos:

— they reserve the right to come back to the question of back-dated application of new prices, in future negotiations, in view of the fact that normally prices would be fixed each year before 1st May;

— they ask that the EEC urgently examine the question of transport costs and that the EEC accept to do this, at the same time recalling that the Sugar Protocol in the Lomé Convention refers to guaranteed prices at the CIF stage (transport costs remaining chargeable to the supplier). ○

COUNCIL

Luxembourg takes office as President

In line with the six monthly rotation system, Luxembourg will take over from Italy as President of the EEC Council on 1 July for the last half of the year. The "General" Council meetings will be chaired by the country's Foreign Minister, Mr Gaston Thorn. ○

ILO

Mr Vredeling calls for work-sharing, not protectionism, to alleviate unemployment

Unemployment resulting from world economic recession calls for greater efforts at sharing available jobs, not import restrictions or national subsidies, Henk Vredeling, Vice-President of the Commission responsible for social affairs, told the 66th session of the International Labour Conference on 13 June.

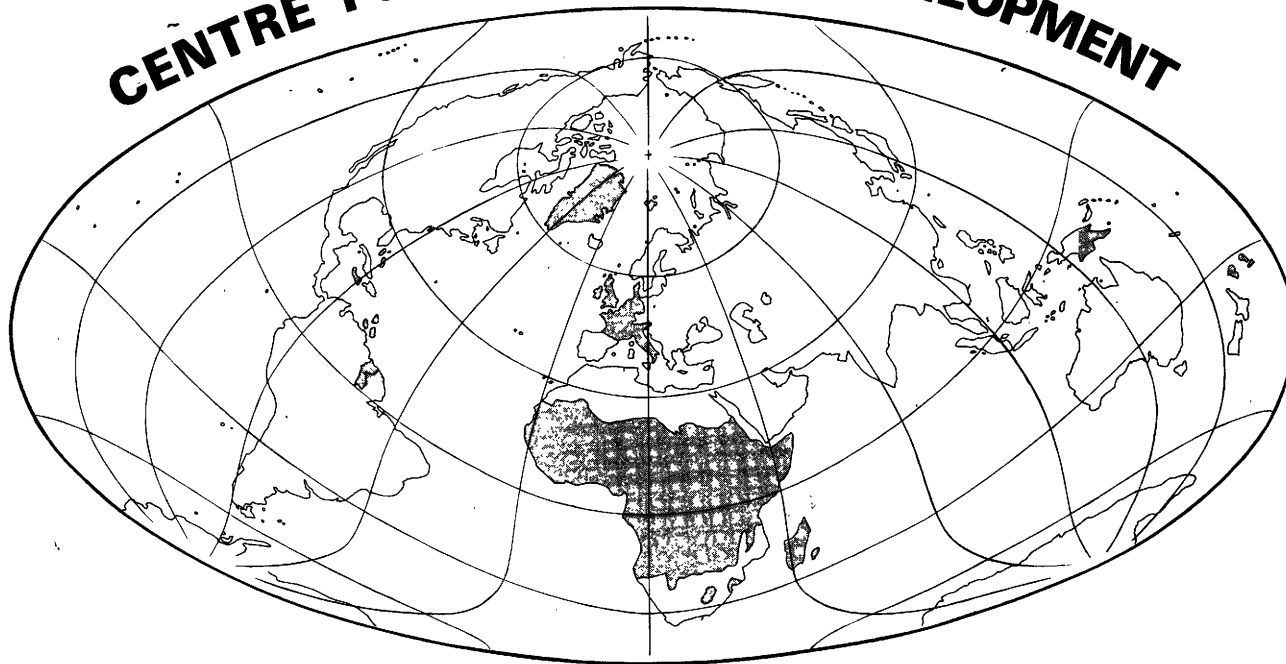
Mr Vredeling outlined plans recently agreed, in Brussels aimed at maximising available jobs through limiting systematic recourse to overtime; flexible retirement; part-time, shift and temporary work; and the shortening of the working year.

He emphasized that a European employment policy was only possible in the context of a better international division of labour.

Developing the Third World means restructuring the industrialised world, Mr Vredeling said. "When people in the industrialised world do not see or do not want to see this basic truth, I fully appreciate the impatience of the developing countries."

But, just as the developing countries need time to develop, so the industrialised world needs time to restructure, he said. ○

CENTRE FOR INDUSTRIAL DEVELOPMENT



BUSINESS OPPORTUNITIES

Small and medium industry venture

In this issue, we describe two industries which could be established in developing countries. If the right circumstances exist, these projects are likely to provide a good return on investment, good employment opportunities and benefits to the host nation in terms of foreign exchange earnings.

The first project describes two types of boats which can be built of ferro-cement. The EEC company offers to transfer the technology and to establish the capability to build boats of the type described and trawlers up to 11 metres. The amount of capital required for the first project is about 50 000 EUA (*).

The second project describes the manufacture of ceramic wash basins, lavatory bowls, urinals, soap dishes, etc. The amount of capital required is considerably higher, about 656 000 EUA, but buyers credit to a level of 328 000 EUA is likely to be available and the EEC partner offers to invest some 52 000 EUA. Thus the local finance required is about 276 000 EUA which should be provided partly by local equity and partly by local loan. The project provides a good return on investment if there is an adequate market.

The CID can accept enquiries from ACP principals providing each enquiry is supported by the data specified in the offer.

(*) 1 EUA (European Unit of Account) = US \$1.42.

Manufacture of small ferro-cement boats

Introduction

In the one hundred and thirty years since the first ferro-cement boat was built thousands of fishing boats and yachts, ranging in size from four to forty metres, have been built. Some of the world's fishing fleets are predominantly ferro-cement and the number of boats built in the material is increasing rapidly.

Ferro-cement is high quality sand and cement mortar densely reinforced with fine steel rods and meshes to form a strong, resilient, water-proof, thin shell material.

Raw material costs are very low, and being unaffected by corrosion, rot, marine, borers, fire or ultra-violet, coupled with its extreme simplicity to repair, ferro-cement makes an excellent material for building robust boat hulls.

With adequate supervision, hulls can be built with few traditional skills and few facilities. This makes the material very attractive for developing countries, where hulls can be produced at the lowest unit cost.

Indigenous boat-building facilities requiring little capital, plant capable of constructing hulls in a variety of simple ways

can be set up, either in existing yards or in simple new establishments. Supervision and planning will be required until the necessary skills are assimilated.

Hulls of almost any description can be produced and these small, self-supporting local industries will contribute significantly to the welfare of developing communities.

The following two proposals illustrate the possibilities—both boats could be built in the same yard with no additional investment in capital equipment, and the designs can be adapted to local conditions.

Note that in each case, it is recommended that an expatriate should be present to manage, to transfer the technology, and to train. The figures include the local costs of the expatriate. The CID will consider funding training costs for projects where appropriate.

5.8 METRE OPEN BOAT — Suitable for beach landing

General description

Length 5.8 metres;

Max. beam 2.15 metres;

Draft 0.3 metres;

Displacement 1.2 tons.

Carrying capacity: 1 ton of fish plus crew, equipment and nets.

The boat can be powered by small air-cooled diesel engines, outboard motors or sail. A speed of 6 1/2 knots should be easily achieved.

Construction

The boat would be built on a re-usable mould system. The cost of the mould is about 330 EUA including labour and materials. This mould would normally be good for producing between 20 and 30 boats, so the mould is amortised at a rate of 16 EUA per boat.

Materials required are sand, cement, chicken wire and steel reinforcement bars, all in fairly small quantities. Each boat would require 4 man weeks labour for each hull and 2 man weeks fitting out. Therefore the labour force should number 8—one manager, one foreman, two carpenters and four hull builders. An expatriate manager would supervise building and management for the first year. In the second year, production could be assumed at 50 boats per year, using the same staff levels but probably without the expatriate.

Approximate figures (will vary with local circumstances):

Finance required for 1st year's operation

| | |
|---|------------|
| 1. Expatriate expert, local costs | 6 500 EUA |
| 2. Raw materials | 15 000 EUA |
| 3. Local labour | 11 000 EUA |
| 4. Capital equipment | 3 300 EUA |
| 5. Overheads (electricity, water, rent, etc.) | 8 000 EUA |
| 6. Technology transfer | 6 600 EUA |
| 7. Interest | 3 300 EUA |
| | <hr/> |
| | 53 700 EUA |



| | |
|--|------------|
| Revenue from sale of 35 boats (\pm 1 500 EUA per boat ex-engine) | 52 500 EUA |
| Costs for second year of operation | 51 000 EUA |
| Revenue for 50 boats | 75 000 EUA |
| Suggested sources of capital are: | |
| Loan capital | 20 000 EUA |
| Equity | 17 000 EUA |

EEC partner offers to invest up to 20% of equity, leaving remaining 80% or more held locally.

Loan should be obtained locally and raw materials largely funded through local suppliers' credit.

8.5 METRE BOAT

This substantial work boat can be used for a variety of purposes including passenger launch (40 to 50 passengers), harbour launch or fishing boat (4 tons capacity). It would normally be propelled by using a diesel inboard engine of between 30 and 40 HP. This boat has wide applications and has been used successfully in many countries.

General description

Length 8.5 metres;

Max. beam 3.1 metres;

Draft 0.83 metres;

Displacement to DWL 4.8 tons.

Construction

The boat is constructed on a simple web frame system requiring very little skilled labour or capital equipment. This construction method results in a very robust and cost effective product.

Each hull requires 20 man weeks of labour to complete. Fitting out depends on the use, but would average 18 man weeks. Raw materials cost approximately 1 200 EUA. A selling price of 10 000 EUA (without engine) is assumed. An engine costs about 5 000 EUA FOB at European port.

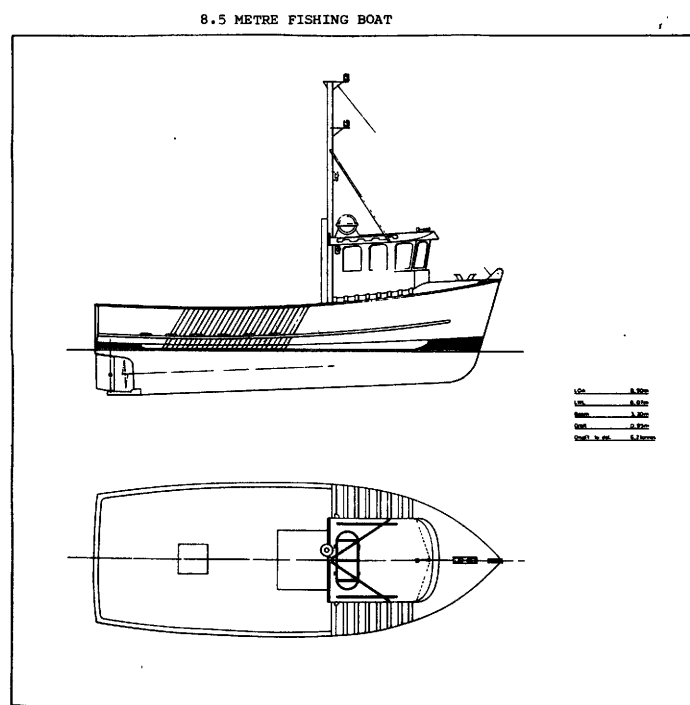
Therefore first year production is 6 boats, but after the first year production should increase to 8 boats per annum with the same labour force. Labour force required for this level of production:

- 1 expatriate manager for first year,
- 1 manager (local),
- 1 foreman,
- 6 labourers,
- 2 carpenters.

Finance required for 1st year's operation

| | |
|---|------------|
| 1. Expatriate expert (local costs) | 6 600 EUA |
| 2. Raw materials | 7 200 EUA |
| 3. Local labour | 13 200 EUA |
| 4. Capital equipment | 5 000 EUA |
| 5. Overheads (rent, electricity, water, etc.) | 13 000 EUA |
| 6. Technology transfer, royalties, design, etc. | 10 000 EUA |
| 7. Interest | 5 000 EUA |
| | <hr/> |
| | 60 000 EUA |
| Revenue from sale of 6 boats (\pm 10 000 EUA per boat) | 60 000 EUA |
| Therefore, first year is zero profit. | |
| Costs for second year's operation | 48 000 EUA |

| | |
|---|------------|
| Revenue for 8 boats | 80 000 EUA |
| Suggested sources of capital (loan capital) | 30 000 EUA |
| EEC partner, etc. (equity) | 20 000 EUA |



Further information on these offers can be obtained by writing to the CID. Letters should be headed "REFERENCE BOAT-BUILDING" and must contain the following information:

1. An assessment of the local market. Annual sales year one and subsequent years. Sales price.
2. Confirmation that boat production would be approved by government and that all necessary licences would be made available.
3. Confirmation that, in principle, bank finance will be available. A letter from the bank would be helpful.
4. Your wishes as to the disposition of equity.
5. Names of the proposed local equity holders and confirmation that the finance is available.
6. Raw material costs of cement, chicken wire and 6 mm steel rods.
7. Skilled and unskilled labour rates including all government taxes and insurance.

Manufacture of ceramic sanitaryware

Ceramic sanitaryware finds a ready market in most countries and in many developing nations this product figures prominently in import statistics and represents a loss of foreign exchange. Conventionally, ceramic sanitaryware is made at scales of 2 000 tons a year upwards and production of 1 000 tons a year is generally considered to be the lowest viable figure. Much of this cost, however, lies in the preparation of the raw materials: if production is designed to work from ready mixed raw materials, the minimum scale reduces to about 450 tons. Imported raw materials represent about 27% of selling price initially but local raw material can be substituted at a later date.

A typical range of products would include wash basins and pedestals, WCs, tanks, bidets, urinals. 450 tons represents about 20 000 saleable items.

The production of ceramic sanitaryware thus becomes viable if there is a local market for 20 000 items annually.

A company offers joint venture in the setting up of plants of this nature

Fixed and working capital

Assuming that a suitable factory can be rented, the set-up costs become:

| | |
|------------------------------------|-------------|
| Equipment | 230 000 EUA |
| Models | 80 000 EUA |
| Technical assistance + engineering | 76 000 EUA |
| Pre-operational | 60 000 EUA |
| Installation | 31 000 EUA |
| Know-how | 33 000 EUA |

510 000 EUA
 + working capital (105 000 EUA)

The EEC sponsor suggests that the debt/equity be 2:1. Local investors 75% of equity = 150 000 EUA. EEC partner 25% of equity = 50 000 EUA.

Buyers credit is likely to be available to a level of 328 000 EUA leaving a need for about 87 000 EUA of loan from local sources. (There is no restriction on the source of plant and equipment).

Profitability

Assuming that the product is sold ex-works at an average price of 22.5 EUA, annual profit after financial charges should be around 80 000 EUA. This represents a high return on capital.

Further Information

ACP principals interested in a project of this type may contact the CID.

The following information **must be provided**.

Market

What is the size of the local market?

How is it made up, i.e. what units are imported and at what landed cost (before duty)?

What is the import duty?

What is the price to the wholesaler for each product?

What is the retail price? What is the price wholesaler to retailer?

Local costs

What is the price of electricity?

What is the price of fuel oil or gas?

What is the price of semi-skilled labour?

Tax

Would, the import of ready mixed materials attract an import tax?

If so, at what level?

Factory premises

The production requires factory premises of about 930

square metres (interior area) with a load bearing of 1 350 kg/m². Will such a building be available and at what cost?

Finance

What proportion of equity would you like you EEC partner to invest in?

Who will be the local investors and do they have adequate financial resources?

Will local loans be available? A letter of confirmation from a bank would be helpful.

Offers from the EEC

Food Industry

Ref. 80/11c

Leader in the production and commercialization of food-stuffs (biscuits, crackers, olive and other vegetable oils, wines, tomato and other vegetable preserves, snack foods, pre-cooked and deep-frozen products) is interested in establishing joint ventures in ACP countries, to set up agro-industrial enterprises concerning its fields of interest, in agricultural, industrial and commercial sectors.

Insulation plants

Ref. 80/12a

Irish company offers knowhow and equipment, with possibility of joint venture, for production of fibreglass thermal and acoustic insulation with plant capacity of 750 tons/year upwards. Raw materials may be locally available or imported.

ACP request

Editing

Ref. 80/13b

A firm from Zaire is looking for a commercial and financial partner in Europe for the publishing and distribution of scientific, technical and school books in Zaire.

A QUICK RESPONSE

If you are interested in any of the items mentioned in this periodical, send us a telex quoting the reference and we will send you further information when it is available.

Address all correspondence to:

**Centre for Industrial Development
"Business Opportunities"
451, Avenue Georges Henri
1200 BRUSSELS,
BELGIUM.**

**Telex No. CDI 61427
Telephone (02) 7358073.**



Picking tea on an African plantation

The tea trade

The dossier this time is on a time-honoured beverage, tea, the cheapest drink in the world after water. It appeared first in Asia, where for centuries it was a part of the art of living. Now it is popular in the Moslem countries, where it is taken with mint at all hours of the day, and in Europe it found itself most at home in the UK. The British, who consume something like 4 kg per person per year, are, with their Irish neighbours, by far the biggest tea-drinkers in the world, and their 19th century Liberal Prime Minister Gladstone spoke for them: "If you are cold, tea will warm you—if you are heated, it will cool you—if you are depressed, it will cheer you—if you are excited, it will calm you."

Great Britain made tea drinking popular wherever its influence was felt, notably in Australia, New Zealand, Canada and the USA, and also introduced tea-growing into the main ACP producers, Kenya, Tanzania, Mauritius, Malawi and Uganda. But many other ACP countries with the right climate and soil are now encouraging tea. It can be produced almost

throughout the year and so provides small farmers with a regular income. The crop also demands a large labour force and creates jobs in rural areas.

Ever since Yaoundé, the Community has been providing assistance for the tea industry and the EDF continues to finance projects in many countries. But progress with tea production can be threatened by the level of prices, which fell in real terms until 1973, improved considerably until 1977 and then tended to fall again in 1978.

Within the context of UNCTAD's integrated programme for commodities, meetings of experts and intergovernmental consultations have taken place between producers and consumers to study the possibility of reaching an international tea agreement, guaranteeing stable prices and regular supplies.

The intergovernmental group has not so far been able to come up with an agreement, but the discussions, which have been lengthy, will be resumed in Geneva later in 1980. ○

Tea: part of the art of living

History⁽¹⁾

Tea, it is generally agreed, came from China, where it has existed for hundreds, if not thousands, of years. Its history is obscure and comes to us in tradition and legend. It was reputedly discovered by the Chinese emperor Shen Yung in 2700 BC. The earliest and most reliable written references appear in a historical survey, the Kiang Moo, which says that tea was drunk in the 4th century, grown in eight provinces of China in the 8th century and became so popular that a tea tax was introduced in 793.

Soon after this, in 801, Saicho, a monk, took a handful of China tea to Japan and planted it in Yeisan, where it flourished and developed rapidly.

So both China and Japan produced tea and the cult developed in each country, an extraordinary process unique in the history of gastronomy. It had technical and economic ramifications and artistic, poetical, philosophical and even religious aspects too.

Three principals stages

There have been three main fashions in tea drinking in China—boiled tea, beaten tea and infused tea—and these three methods, three schools one might say, reflect the spirit of the ages in which they prevailed—the T'ang, the Sung and the Ming dynasties.

Before this, tea was prepared in an extremely unsophisticated way. The leaves were steamed, crushed in a mortar, made into a brick and boiled up with rice, ginger, orange peel, spice, milk and sometimes onions.

The genius of the T'ang dynasty emancipated tea from this vulgar state and raised it to the pedestal on which it still stands today. This was the era when Buddhism, Taoism and Confucianism were seeking a common view of things and pantheistic symbolism claimed that the universal was reflected in the particular. The poet Lu Wuh, who lived in mid-8th century China, discovered in the tea ceremony the same order and the same harmony that reigned everywhere and it was he who set out the tea code in the Cha King, the famous book that made him a favourite of the Emperor Tang T'ai Tsung and won him many followers. His practical contribution to tea making was to rule out all ingredients except salt and to stress the importance of the choice of water and the point to which it should boil.

The Sung dynasty created the second school of tea—beaten tea. The leaf was powdered in a small stone mill and then beaten into hot water with a slender wand of split bamboo. Salt was eliminated once and for all. This was as different from the previous method as Sung concepts were from T'ang ones. The Sung tried to achieve what their predecessors had sought to symbolize. New meaning was infused into the art of living. Tea ceased to be a poetic pastime and became a way to self-fulfilment. The cult became a

way of attaining self-knowledge. The Zen-Buddhists from the south evolved a complete ritual and from this emerged the tea ceremony which later spread throughout Japan.

The Chinese love of tea during the Sung period was boundless. Competitions were held to find new varieties and to decide how they ranked. In the 12th century, the emperor Sung Kao Tsung spent a fortune on a new variety of tea and wrote a dissertation on the 20 known kinds.

The Mongol revolt in the 13th century and the ensuing devastation and conquest of China destroyed all the fruit of the Sung culture.

It was the Ming dynasty which, in the 15th century, tried to rekindle the old spirit, but customs had changed. Powdered tea had been forgotten and the new way of drinking it was to allow the leaves to infuse in hot water in a bowl or a cup. Tea only found its way to Europe at the end of the Ming dynasty.

Since that time, tea has been a delicious drink for the Chinese—but the idealism has gone. The scent of flowers may make it a delight, but the poetry of the ceremonies of the T'ang and Sung eras has gone from the cup.

Japan has seen all of the changing fashions of tea. The first leaves which Japanese ambassadors took home from the T'ang court of China were prepared according to the method then in vogue. But very soon the effect of Zen-Buddhism was felt and with it came the Sung tea ritual and ideals.

In the 15th century, the tea ceremony, a symbol of the ideals of tea in their highest form, was fully fixed in its independent and secular form, establishing a veritable religion which penetrated the whole of Japanese culture, Japanese homes, Japanese customs, dress, language, art and literature. Drawn tea has obviously replaced powdered tea for everyday drinking since the 17th century, but powdered tea remains the tea of teas. To quote Okakura Kaluzo:

"For us, tea is more than an idealization of the form of drinking: it is a religion of the art of living. It is a basis for the cult of purity and refinement, a sacred function in which both host and guest join to create the most beautiful aspect of life in society. The tearoom was an oasis in the dreary desert of life where weary travellers could meet to refresh themselves at the common spring of love of the art. The tea ceremony was an improvised drama woven around tea, flowers and painted silk. No harsh colours came to trouble its blended tones. No noise came to destroy the unity of the surroundings. And every movement was simple and natural. These were the aims of the tea ceremony. How odd it was so popular. But a subtle philosophy was behind it. The religion of the tea ceremony was taoism in disguise".

Leaving these lofty considerations aside, it is interesting if, retaining a just sense of proportion, we compare these far-eastern ideas with a somewhat remarkable fact—that "the white world generally accepted both a totally unknown drink and the special kind of ceremony that went with it" (Jean Runner).

Europe in the 17th century

Tea only came to Europe fairly recently. Marco Polo mentioned it in the account of his travels, as did another Italian, Ramusio, in 1559, and the Portuguese Gaspar da Cruz in a letter to his sovereign.

Dutch merchants on their way from China took tea to Java in 1610. The East India Company took it to the Netherlands in 1637, where it rapidly became popular, and it appeared in England in 1650.

(1) Part of *Notes et Etudes documentaires* n° 3427 (*Documentation française*).

"In 1657, Thomas Garraway, the first tea merchant, opened his shop in London. In France, it was François Souquet, a doctor, who first served tea, to his colleagues at the university, in 1662. Séguier, Madame de la Sablière (possibly the first to add milk), Racine, Madame de Genlis and many other figures were among the first people in France to take up tea drinking. And, in 1782, there was even a tea bush, carefully nurtured, in the Jardin des Plantes, where it was admired as a rare and curious plant" (French tea committee).

Tea caught on in England at once and, when Cromwell introduced a special tea tax, he triggered off a thriving black market that played its part in increasing the popularity of the beverage. Tea was common in 18th-century America, but it had become a well-established custom that tended to be confined to the upper classes.

The famous Boston tea party of 16 December 1773 was the start of the War of Independence when the colonists, tired of the taxes that the British parliament levied on tea drinking, tipped a whole shipload of tea into the harbour.

How the tea bush spread

Professor J.J.B. Deuss, one-time director of the experimental tea and rubber station in Buitenzorg in Java and the originator of most of the technical material in this article(1), suggests that botanists had not heard of the tea bush until 1625. The first good description dates back to 1712, in one of Kaempfer's publications, which called it *Thea japonniensis*. In 1737, Linné mentioned *Thea sinensis*, giving two varieties—*viridis*, which gave green tea, and *bohea*, which gave black. This was discussed for some time before it was realized that either green or black tea could be made from the leaves of any tea bush and that it was a difference in processing, black tea being fermented and green tea not, that accounted for the colour.

Tea is drunk by half the population of the world



In the European colonies, it was the Dutch who first grew tea. An initial attempt was made in Java in 1684 and another later on, in 1728, but neither was successful. But ultimately, in 1824-1825, they brought back seeds from China and were able to grow those. The early plantations were set up by the government, which hoped to find people familiar with the method of processing among the Chinese community in Java, and appointed an expert, Mr Jacobson, who wrote a treatise on tea growing and processing (an outstanding piece of work for the time) and had to go to China to obtain more seed and recruit Chinese labour.

The government plantations on Java soon emerged as shaky commercial enterprises and they were sold to Dutch businessmen who ran them as private concerns until, much later, their descendents turned them into limited companies.

India has similar stories to tell. In the late 17th century, government officials planned to set up tea plantations there and experiments were in fact carried out. But the East India Company, which had a hold over all trade with China, was against it and nothing came of the idea until 1834, when the Indian authorities found themselves unable to renew their contract with China for tea supplies. China tea bushes were now planted, in spite of the fact that a superintendent Bruce had discovered Assam bushes growing wild, and the debate as to the comparative merits of China and Assam teas continued for many years. Assam finally won and now nearly all the big plantations are given over to this particular variety.

In 1860, work began on switching the Javanese plantations over to Assam and now almost no China tea is produced by the major concerns in that country.

Tea growing across the world

China

The Chinese have probably been producing tea, which grows all over the country, for thousands of years, although the Szechwan province has the oldest tradition.

De Candolle's research in the late 19th century suggests that tea originally came from Tibet and that the seeds were carried east into China, along the Yangtze Kiang, giving small-leaved China tea bushes, and south along the caravan routes to Szechwan and Yunnan, where the bushes were the large-leaved *macrophylla* type. Small-leaf varieties were also found in Japan and Formosa.

Tea also spread along the Mekong, the Salween and the Irrawaddy, taking the beverage into the Shan States, Tonkin, Laos, Siam and Burma, where the Shan tea bush is found.

No trace of tea bushes has been found in Tibet, although they certainly grow in other places mentioned in the de Candolle theory.

Japan

Tea growing goes back to the 9th century when bushes were produced from Chinese seeds and, in this country, the beverage gave rise to a kind of religion, a sort of philosophy of hygiene and nobility of taste.

Brazil

Tea growing, probably of the China tea type, was introduced into Brazil in 1812.

(1) *Journal d'Agriculture tropicale et de Botanique appliquée*, volume III 1956 and volume V 1958.

Java

Successful growing began in 1824 and 1825. China tea was produced at first, but the plantations were converted to Assam in 1880.

India

Tea growing was first introduced in 1834. China tea plantations were soon turned over to Assam-type plants which grew along the banks of the Bramaputra.

Nepal

Tea growing was introduced here in 1850.

Formosa

The crop, the large-leafed China variety, was introduced in 1868.

Sri Lanka

Tea, an Assam-type hybrid variety with small leaves, was first introduced in 1875 to replace the *Arabica* coffee trees which were affected by leaf mould.

Malawi

An Assam hybrid was introduced in 1878.

Russia

The crop was introduced in 1893. China tea is grown in the Caucasus.

Iran

A China hybrid was introduced in 1900.

Malaysia

Assam-type tea was introduced in 1914.

Indo-China

The crop (Assam) was introduced in 1925. The tea bushes found by various travellers (Lefèvre-Portalis, Henri d'Orléans, du Pasquier etc.) had no doubt existed there for a long time.

East Africa

The growing of Assam tea was started in Kenya in 1925.

Tea is grown on a smaller scale in other countries too, in Thailand, Burma, Zimbabwe, the Azores, Ethiopia and Tanzania, for example, and tea production has developed considerably in Uganda and Mozambique, as it has on Mauritius. Zaire, Turkey and Argentina also grow tea and the crop is being tried out in Columbia, Mexico, Guatemala, Peru, Mali, Cameroon, and Guinea and on Réunion.

Nowadays, tea is grown in many countries and most people drink it. It is the traditional drink of half the world and there are very few countries where it is not drunk at all.

Nevertheless, we should not forget the esteem in which tea is held in England and in the countries that have come under its influence, the USA, Australia, New Zealand, and Canada in particular. The UK also encouraged tea growing in its east African colonies and elsewhere when conditions were right.

Tea in Britain has become one of the most astounding of social phenomena and plays an important part in the life of almost every British citizen. ○

DOSSIER

Tea processing, from the plantation to the cup

Take away the ritual that is so common in the Far East and some countries of Africa and the Arab world and tea making is a relatively simple operation. And it is only right that it should be, as the process from the plantation to the cup is a delicate one indeed. First the terminal buds and the top two leaves must be plucked from the mature (5 years) tea plant. In the major producing countries, in India, Indonesia and Sri Lanka, most shoots are plucked by hand by women who have to be very skilful to avoid damaging the tea.

The plucked leaf is processed by a method that has been scientifically devised since the large-scale plantations came into being and it is very different from the local methods once used in China. There are five main operations:

- withering or wilting;
- rolling;
- fermentation;
- firing;
- sorting.

Withering

The fresh leaves should lose 50% of their moisture, to look like limp leather, during this process.

The big job is spreading the leaves evenly, 500-1 000 g per m², on racks stacked 12-18 cm apart. Large crops take up a lot of room and fans are needed to speed up the wilting process. The classic withering process takes about 18 hours at a temperature of 20-21°. The golden rules are to have thin, regular layers of leaves, to fan with cold air and, if hot air has to be used, to ensure that it is mixed with cold.

Raw tea leaves (left) and black tea (right) ready for infusion



Inadequately withered tea will taste "green", i.e. it will be bitter, lack flavour and contain a large percentage of broken grades. Too much withering will make fermentation difficult.

An attempt has been made to simplify the classic withering process, which calls for large, costly installations and stringent control but which is more or less dependent on the prevailing weather conditions.

The Chinese had withering machines even before the 19th century. A system that used a mechanical roller and hot air at 33°C was perfected in Java and India and the process, which yielded a much-appreciated tea, took 30 minutes instead of 18 hours. Other people prefer a vacuum evaporation process, but this is costly.

Lastly, India producers use a method by which fresh leaf is spread on moving trays to lose water by evaporation before being subjected to hot air currents to remove the remaining moisture.

Rolling

The second stage is to roll the leaf. This used to be done by hand or foot, something that is no doubt still common on family smallholdings in the Far East. The invention of the roller made tea preparation a lot easier. The leaf is rolled longways in large mechanical rollers which can handle about 200 kg of tea in half an hour. Coarse grades require more energetic rolling than finer ones. During this process, the leaf cells are broken down and fermentation begins. The aroma develops and the leaf curls like twisted cigarette paper. The aim is to break down the cells to release the natural juices and encourage proper fermentation.

This is the classic method which most countries use. But there are other methods, in particular, a new CTC (crushing, tearing and curling) machine and, in 1964, almost half the Indian tea exported to the UK was CTC processed. These machines, which consist of two engraved metal rollers revolving at different speeds, can twist and crush the leaf in a fraction of a second.

When the rolled leaf leaves the rollers, it is sifted, in the traditional manner, to separate the fine, coarse and medium grades. Fine tea goes through a mesh with 16 holes per square inch and medium tea through nine holes per square inch. The remaining coarse grade tea does not pass through the mesh. This is an essential operation if satisfactory fermentation of all grades of tea is to be achieved.

Fermentation

The next process is almost the opposite of withering, the leaf now being moistened and machine-fired at 22°C. There are no air currents at this stage.

This is an extremely important part of the process and must be carried out in a clean, cool place with a high 90-95% of humidity. The temperature has to be around 22°C because if it is colder, at say 12°C, the leaf will not ferment.

The leaf is now spread in 4-6 cm layers on clean, smooth cement, glass tables or any other tannin-resistant slab.

The temperature in the fermenting mass of leaves rises, to as much as 20-29°C and must be checked every 15 minutes. Once the maximum temperature has been reached, after one to three hours, the leaf must be dried to stop fermentation.

Other methods of fermentation have been tried—for example moving the leaf on racks through a room with a constant temperature and level of humidity, or using ozone. The aim is to get the leaf to become very brown but to keep it alive and

as homogeneous as possible. The aroma develops now and should reach maximum strength when the temperature is at its peak.

Fermentation should take place in optimum conditions as this is the process on which the quality of the tea depends. If it is too short, too long or too hot, the flavour will suffer, the quality will be badly affected, and the tea may become unsellable.

Firing

The fermented leaf has to be dried fast at just the right moment, otherwise over-fermentation will result.

The firing process, when trays of leaf are usually passed through hot air chambers, takes 15-20 minutes. Modern equipment can easily handle 200 kg of dry tea per hour. The temperature during firing is up around 90°C and the trays move slowly through the machine all the time to avoid a build-up of heat, that could burn the tea, in an empty chamber.

Sometimes firing is done in two stages—the tea is partly dried once at a low temperature and then passed through a second chamber to complete the process. This method is both more complex and more costly.

Dry tea should contain 4-6% moisture and the content should be checked by analysis, as tea that has been fully dried will not infuse.

Drying calls for as much care as fermentation, because if it is not done properly, the tea will retain too much moisture and will go bad quickly and will not keep. If the tea is too dry and has too little moisture left, the infusion will be weak, light and be "brisk" to the taste. The aroma will have faded or disappeared altogether. It is also possible for drying to be right but for the temperature to be too high, in which case the tea will have the right flavour but the infusion will be too light and the aroma will be reduced.

Firing at temperatures that are too high can lead to burnt tea which cannot be blended with other teas without spoiling them.

The dry leaf has to cool as quickly as possible. This is achieved by a special fan method of transport to the sorting room or by spreading it out in thin layers.

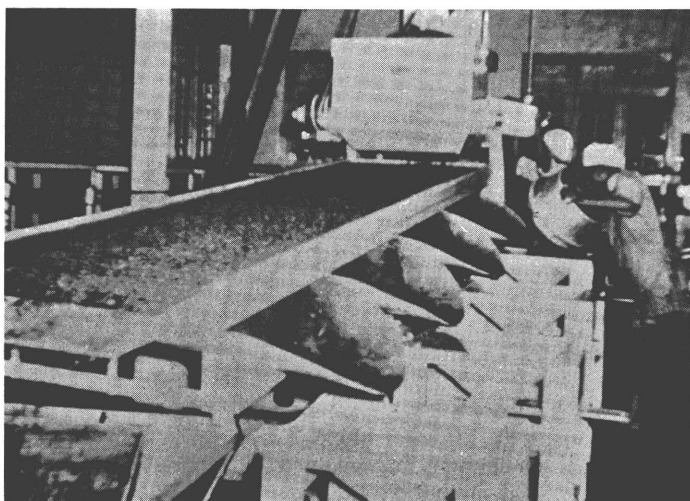
Various attempts have been made to improve the classic firing process just described. Infra-red drying was not a success, as it only worked on the surface and penetration into opaque matter was poor.

A rotating cylinder seems to have been fully satisfactory. It used not to be recommended as it broke whole leaf, but as only four or five grades of tea, and especially broken grades, are now being produced, this argument is no longer valid. The process is as follows. Hot air is blown through the fermented leaf, which moves about inside the cylinder and emerges in an excellent condition. It also has the advantage of being able to handle twice the capacity of traditional machines.

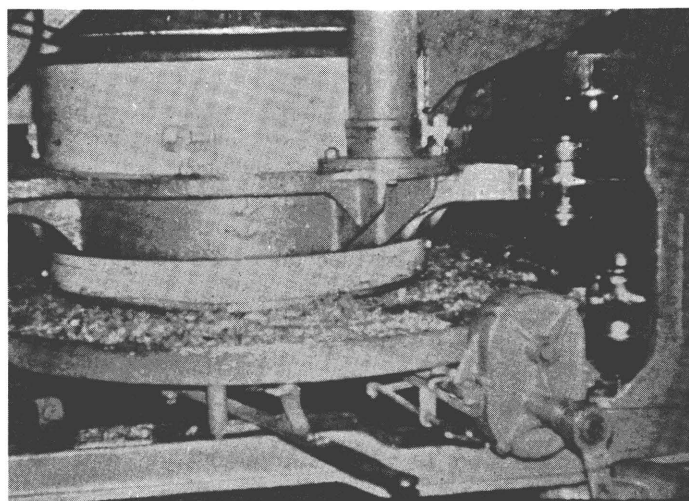
Sorting

The sorting room is separate from the rest of the factory and it must be clean and cool and free from any smells, smoke, steam or humidity from outside.

Unsorted tea is handled in this room. As at the fermentation stage, the leaf is divided into fine, medium and coarse grades. It now has to be sorted into the grades in demand on



This machine sieves the rolled leaves



The rolling of tea takes place in big cylindrical tanks

the market. There used to be nine or 10 of these, but since the last war only four or five have been produced.

Various machines and hand sieves are used to sort the tea and any particles that are too big are cut by machine.

Mechanical sifters consist of meshes with different size holes (ranging from 6×6 cm to 1.5×1.5 cm), corresponding to particular grades of tea. Fanning machines are in fact boxes at 20 m long with fans at one end. Different speeds enable the various grades to be separated and the dust to be removed. Sometimes hand sifters are used to finish the processing of very fine, high quality tea requiring a good presentation.

Not much progress has been made with improvements to the sifters, although interesting results have been obtained with a series of Russell machines which can produce 2 000 kg of five well-sorted grades of tea in an hour.

The golden rules of sorting are to be quick (to avoid the tea absorbing moisture) and to persist until well-defined grades are obtained, all the dust is eliminated and any red stems and coarse leaves have been removed. Even the smallest errors of sorting put the buyer on his guard and can also affect the quality of the product.

The sorted tea is stored by grade in various silos containers of 3×3 m lined with lead or aluminium and with a sliding door at the bottom from which the tea can be taken for packing.

Packing

In order to ensure homogeneity, consignments from the plantations contain tea produced over two or three weeks, as even with precision production, it is impossible to make identical tea two days running.

Tea is best packed in foil-lined plywood chests. They are about $50 \times 50 \times 50$ cm and, and if packed to the brim, hold 45-50 kg, depending on grade. This difference in weight is due to the fact that whole leaf grades take up more room than broken grades.

Tea packed in this way must not contain more than 8% moisture and compulsory checks are run on this. The sender has to include samples for analysis when the chests are despatched.

Grades

There are two types—leaf grades and broken grades. They may be of the same quality. Broken grades can be obtained from good leaf, and can be of the same quality as if it were unbroken.

Green tea

Green tea, as was mentioned earlier, is tea that has not been fermented and the idea in processing it is therefore to prevent fermentation.

It accounts for 10-20% of world production and is mainly produced by individual or semi-industrial concerns in China, Japan and Vietnam.

The following Chinese process has been described for us by Professor J.J.B. Deuss.

The plucked, unwithered leaf is roasted in basins. It is then turned and put into little heaps in the sun for 8-10 minutes. The heaps are then turned over and the whole process repeated three or four times, after which the leaf is put back in the basins and turned constantly. Then it is packed into 7-10 kg sacks which are beaten to reduce the volume by two-thirds. The sack is pressed and twisted and then left until morning when the leaf is taken out and dried. Sometimes it is again taken two or three months later and dried. The last stage is sifting the tea and colouring it with turmeric, indigo etc.

Machines are sometimes used to produce green tea. In this case the leaf is panned to prevent fermentation later on, rolled in the same cylinders used for black tea and then dried. Teas of Oolong and Pouchong from Formosa are given partial fermentation (the leaf is slightly heated, then rolled and dried). These remarkable teas are little known in Europe and their main overseas consumers are in the United States.

Teas are often perfumed with flowers which are mixed in at the end of the manufacturing process. The flowers most commonly used to make scented tea of this kind are *Olea fragrans*, *Camelia aasanqua*, which is akin to the tea bush, orange flower; Arabian jasmine; *aglaia odorata* and gardenia. ○

The world tea market

by J.R. MUNDAY(*)

Tea was a Chinese monopoly until the early 19th century, when the British undertook the first experimental planting in Assam after having discovered indigenous tea bushes. In 1839 the first shipment of Assam tea was on its way to Britain, and by 1852 commercial tea growing was becoming firmly established in India. From Assam it spread to Darjeeling, Cachar and other districts as well as to what is now Bangladesh.

Tea from the ACP countries

The 20th century saw the development of tea growing in Africa from small experimental beginnings at the turn of the century. Consignments of tea seeds were sent from Kew and Edinburgh Botanical Gardens to Malawi in 1886 and 1888

(*) Director of marketing, the Tea Council Ltd. (London).

and to Uganda in 1900. The first planting in Kenya was in 1904 and commercial development followed in Tanzania and Mozambique in the early 1920s. Expansion of commercial tea growing in Central and East Africa took place from that time and increased rapidly after World War II, with the advantage of the latest know-how and the most up to date machinery.

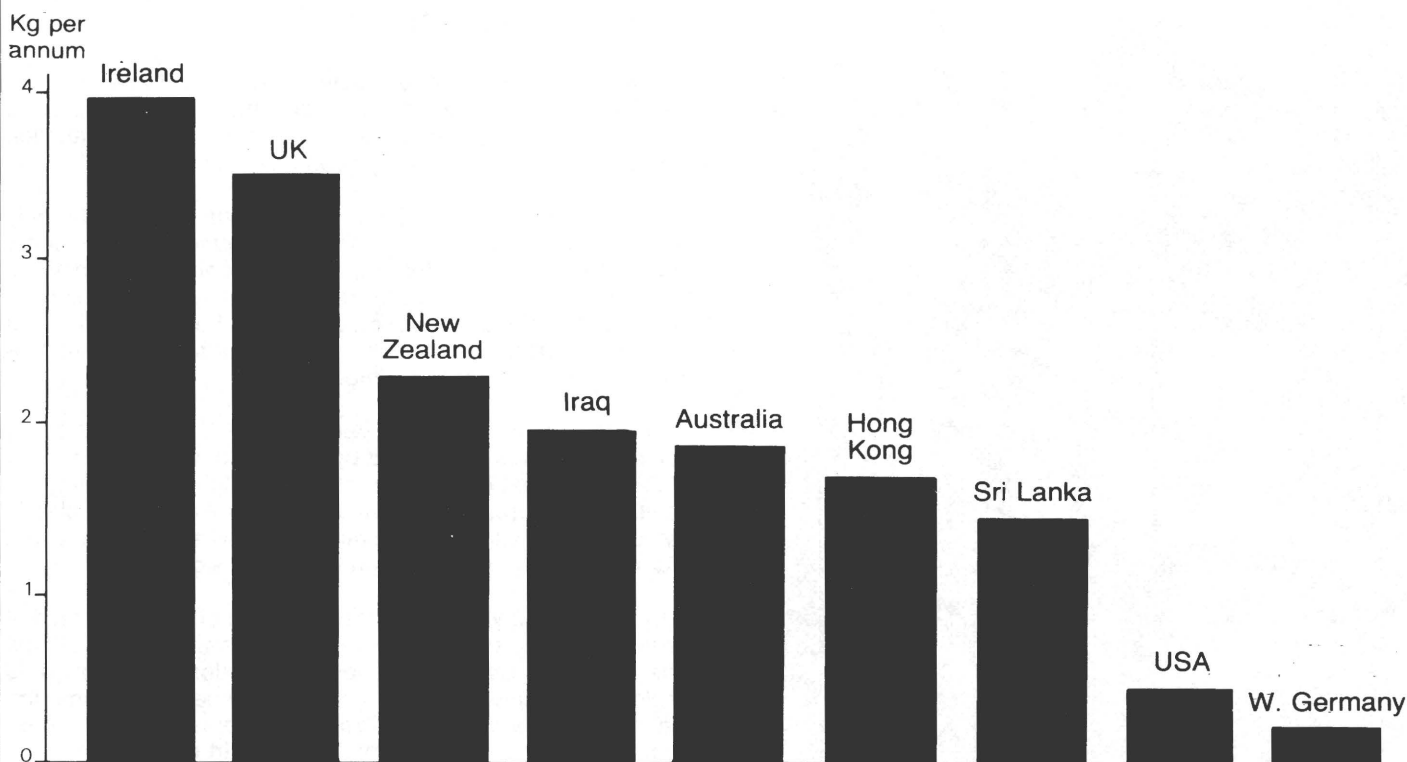
Tea production in Mauritius was developed by the government as a means of diversifying from sugar; tea has the additional advantage of being cyclone resistant. Mauritian exports have grown over the last 30 years to some 4 000 tonnes per annum.

Papua New Guinea is a relative newcomer to tea. The production was first exported in commercial quantities in the late 1960s, mainly to the Australian and UK markets.

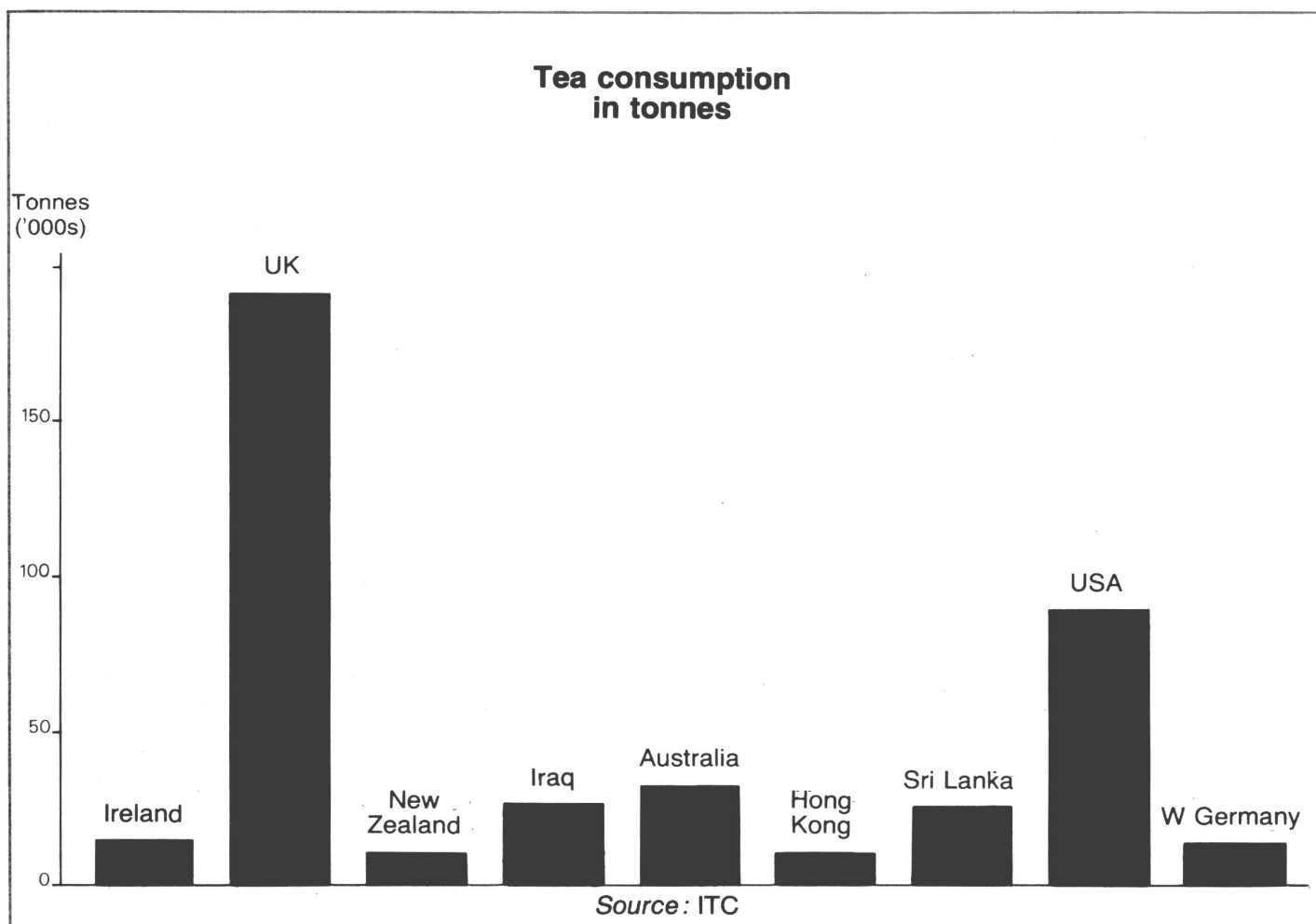
During the last 20 years the area of tea gardens in Africa has more than tripled, to over 160 000 hectares. In the same period tea production has risen from some 40 000 tonnes per annum to almost 200 000 tonnes per annum.

In 1978 African exports of tea were estimated at just under 169 000 tonnes, the principal exporter being Kenya (85 000 tonnes), with significant quantities from Malawi (31 000), Tanzania (15 000), Mozambique and Uganda. The largest customer was the UK (89 000 tonnes), with significant quantities being shipped to the USA, Pakistan, Canada, Egypt, Netherlands and Ireland.

Tea consumption per head



Source: ITC



Sri Lankans drink more tea than any other producers

Sales and consumption

The tea is sold either at auction or by private treaty. Auctions are held in most major producing countries such as India, Sri Lanka, Indonesia and Kenya, but the only auction centre outside the producing countries is in London.

The London auction enjoys special status of being the only terminal auction in the world. This is because of the dominant place of the UK as a tea importer and consumer. Britain is the largest export market for tea in the world, accounting for some 30% of the entire export trade. The London auction is a valuable reference level for tea producers to value their product against those of other producers.

The largest consumption per capita is in Ireland (3.99 kg per annum). This is followed by the UK (3.46). New Zealand (2.52) and Australia (1.84) are also high consumers per capita. Of tea producing countries, Sri Lanka (1.53) is clearly the leading consumer. However, it has always been suggested that Indian home consumption could rise significantly.

In the next 10 years the UK dominance of the world market may continue to decline but probably less than in the 1970s. The UK Tea Council's generic promotional campaign is beginning to have an effect; for the first time in a decade, the tea market has been stabilized, with sales in 1979 higher than the previous year. Demand for tea in other West European countries and North America is expected to grow, but very slowly. ○ J.R.M.

Tea and the British

The story of tea is a peculiarly British one, even if the Dutch first brought this Asian plant to Europe. With about 1.5% of the world's population, the UK accounts for over 30% of the world's import demand for tea and Britons drink an average of over four cups a day. Only the neighbouring Irish drink more.

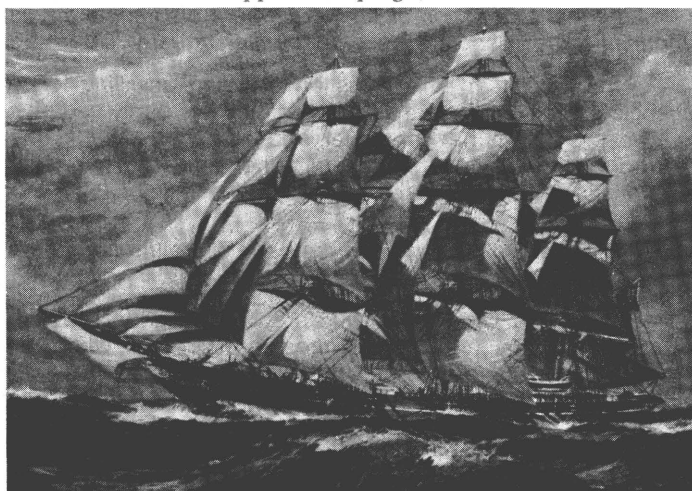
Tea and coffee were expensive luxuries in 17th century Europe, yet by the mid-18th century tea had become the principal beverage of all British classes, despite its price: a pound of the cheapest tea cost a skilled worker a third of his weekly wage, making it at least 30 times more expensive than now, when it is claimed to be the cheapest drink after water. Tea became a family drink, while the coffee houses catered exclusively to men, and tea supplies were assured by the protection Britain's naval power gave to the huge, slow ships of the East India Company.

This company had as much influence on international affairs as any of the multinationals that began to hit the headlines two centuries later. For a calming drink, tea has an exciting history. In 1773 the East India Company acquired a virtual monopoly on exporting tea to America, where the British colonies were refusing to pay tax to London and getting their tea from Dutch smugglers. That December, at the "Boston tea-party", tea from British ships was pitched overboard by the Americans, and successive incidents led to the American War of Independence.

The Americans further shook up the tea trade by superior technology. Their clippers, developed from warships, were much faster than the East Indiamen and provided severe competition. In the mid-19th century, the British began to build tea clippers and the race to be first home to London from China provided some of the most spectacular sailing in history. The all-time record for sailing ships is still held by one of those clippers (1). The races were won when boxes of tea were hurled ashore in the Thames, to be taken to auction in Mincing Lane, where the main tea auctions were still held until very recently.

But while the clippers were still being built, the Suez Canal opened in 1869, changing the trade routes, and steamships began to take over. Another change was the development of tea-growing in India and Ceylon. The British government

The tea clipper "Taeping", built in 1863



Noon was tea-time in 18th century European society

began the first experimental planting of tea in Assam, annexing the province in 1839, and tea-growing began to spread in India. Then, in the same year the Suez Canal opened, blight began to wipe out Ceylon's coffee industry and the planters turned to tea. The Dutch also planted tea from Assam in Indonesia. By the end of the 19th century, these three suppliers had left China far behind in the world tea trade.

Tea seeds from botanical gardens in Britain were taken to Malawi and Uganda in the late 19th century; the first planting in Kenya was in 1904 and development followed in Tanzania and Mozambique in the early 1920s. Now three African countries, Kenya, Malawi and Mozambique, are among Britain's five main suppliers, together providing some 32% of the UK's tea imports as against 45% from India and Sri Lanka.

In 1869 again, a young Englishman opened a small shop selling tea in Manchester. It was to grow into the world's biggest tea company, Brooke Bond and Co. (now Brooke Bond Liebig Ltd.). The family album of that company is a history of one of the world's major commodities. The people who appear in its pages, Indians, Africans, Americans, Europeans, still seem to stand in the shadow of the bewhiskered Victorians who founded the modern tea trade. That may explain why the trade is still conducted in the atmosphere of a gentleman's club, with time-honoured traditions. And yet the commodity business is as ruthlessly cut-throat for tea as for any other product on which millions of people depend for their living.

To get an idea of the changing role of one of the world's principal tea companies, the *Courier* interviewed Peter Sawdy, chief executive of Brooke Bond Liebig.

The role of an international tea company

► Mr Sawdy, how did Brooke Bond become the world's biggest tea company?

— It's an interesting story. Arthur Brooke (2) started as a grocer and then began to distribute tea locally, regionally and

(1) The "Lightning", which logged 436 sea miles in 24 hours, an average speed of 18 knots.

(2) There never was a Mr Bond. Brooke added the name "because it sounded so well".

nationally. Then the big step was when the company went back to origin and started to invest in the actual growing of tea, in the 1920s in India and after World War II in Africa. It was what I call reverse vertical integration.

► *The tea industry is one example of the development of European colonies as supplies of commodities. Did it develop along the same lines as the coffee and sugar industries?*

— Yes, but there is one major difference between tea and other “soft” commodities like cocoa and sugar: tea has always been bought through auctions which deal only with physical commodities. It has never had a futures market, principally because it is a very variable commodity and it doesn’t keep. Cocoa or coffee can be kept five or six years in their unprocessed forms. Under good, dry conditions tea keeps for up to 18 months, but even today three or four months go between the time it is picked and the time it is auctioned.

► *Would a new International Tea Agreement be the end of the auction system?*

— No, I’m sure it wouldn’t. There has been a lot of discussion as to how to achieve an effective International Tea Agreement. The two main ways of doing it are either to control the crop, which is extremely difficult because you have to limit each individual estate’s production; or set up a buffer stock — you decide on the amount of tea which is going to be sold in a 12-month period and put the excess into a buffer stock, which is then sold off over the succeeding months to keep the price level at a certain minimum.

Buffer stocks: “tea doesn’t keep”

Now, our argument against the buffer stock system is that tea doesn’t keep. Secondly, we don’t see how, in justice, that buffer stock is going to be handled to the satisfaction of the buyers. I think the only effective way of having a tea agreement is in some way to control production. We would all like to see a tea agreement, because it’s to the advantage and the health of the industry that producers get an adequate return.

The difficulty has always been to find a quota which is effective and which the producers will accept, because obviously there is competition between the major producers for export markets. I hope that in fact increasing demand, plus a fairly static supply situation, make it unnecessary.

In 1977 we had a major price explosion, but since about 1953 there has been more tea produced than consumed. At the moment supply and demand are pretty well in equilibrium. The key to the situation is India. India is not only the biggest producer, it is now the biggest consumer of tea, and it has a huge capacity to drink more. Its 550 million people drink well under half a pound a head, compared with our eight pounds a head a year, and by the year 2000 India might be drinking all the tea it produces. It will not be possible to find new acreage because there isn’t the land available, and there is a limit to what you can do in terms of technical improvements on yields.

► *If there isn’t the land available in India, there is in Africa. A lot of countries could become new tea producers. Should they be excluded because of the market situation?*

— I don’t know who is going to exclude them. I suppose governments may say it. We certainly couldn’t. We wouldn’t attempt to.

► *The authorities of an International Tea Agreement?*

— Yes, I see. I think it’s really a matter of economics. Unless the price of tea rises substantially, it is simply unlikely



In a Brooke Bond tea shop at the turn of the century

to be profitable to invest in new acreage, and there won’t be any returns on new planting for three to five years anyway.

► *You wouldn’t advise the African countries to get into this market?*

— We mustn’t generalize. For instance, Kenya makes an extremely good return on its tea industry. The Kenyans, being recent entrants to the tea industry, have benefitted from the newest techniques. And the government hasn’t overtaxed the industry: there has been sufficient profit and that profit has been ploughed back into tea.

► *Doesn’t the same argument apply to all new producers?*

— Yes, in theory. But they would probably wait five years before they see a return. And not that many areas of the world are suitable for growing tea.

► *Doesn’t it grow more or less where coffee grows?*

— Generally speaking, that’s true. Tea will grow from sea-level up to 7 500 feet, but the optimum elevation is about 3-5 000 feet.

There is also a labour problem. It’s paradoxical in view of the massive unemployment in the developing countries, but one of the problems of the tea plantation industry at the moment is a shortage of labour. It is becoming less and less attractive to work on tea estates, because of alternatives.

The changing plantations

► *Is it just a question of pay, or is there also some unwillingness to be associated with a colonial industry?*

— No, it’s not at all a question of being unwilling to be associated with a colonial industry. I think it is partly because the work is not all that congenial, and it’s partly social — the old concept of a tea plantation being almost a miniature economy within itself is breaking down.

► *What have the main changes been since the turn of the century, and how have they come about?*

— There has been enormous progress in understanding how to grow tea, and the big breakthrough was when we stopped using seed and started to use clonal material—taking cuttings from a ‘mother’ bush of good quality, developing the cuttings in the nursery and then re-planting with that clonal material. If you go to a new area of tea you will see what has been done by the clonal method; there is absolute

regularity of colour and type, whereas in an old area planted with seed you will see all sorts of variations in colour and type of bush. That was the big breakthrough in terms of agriculture.

► *Roughly what percentage of the plantations around the world are now clonal?*

— It would still be quite small, because tea does last an awfully long time. There are still plantations in Ceylon yielding tea which was planted before the turn of the century. But the new clonal tea is probably giving five times the yield for the same acreage.

The big change on the mechanical side of the industry came with the move away from orthodox tea to CTC manufacture—cut, tear and crush—which is much more cost-effective. This happened to coincide with world demand moving towards a smaller leaf tea, partly because of the introduction of tea bags and partly because we live in a mad world where no one is prepared to wait for anything: you should allow orthodox tea to stand for six minutes before you drink it, whereas CTC tea will infuse effectively in two to three minutes.

And there have been many other improvements, in understanding disease, fertilizer, all these things. There is an enormous research effort into tea even today, both by private companies and by national government research agencies.

► *What about changes in the commercial side of the industry?*

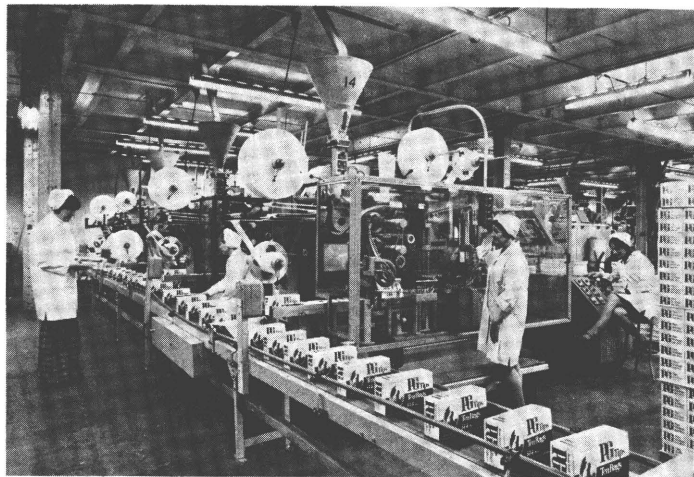
— If the plantation industry hadn't achieved these breakthroughs and techniques, it would be bankrupt. For the tea producer, the years from 1957 to 1975 were very lean indeed. Getting high yields and using less labour enabled the industry to survive.

► *Yet the commercial system hasn't changed fundamentally since 1900?*

— The fundamentals haven't changed, that's absolutely true, but I don't see how they can. There is no way you can revolutionize, for instance, the shipment of tea; all sorts of alternatives to the tea chest are being tried, but I can't see a mass of tea being brought in by container because tea is made in small quantities by each individual estate. That is how it occurs in nature.

► *Looking at the pricing, tea is the cheapest beverage after water—about 1/2p a cup—and sells in British supermarkets for about 25p for 125 grammes. Can you give a*

Tea bags now make up about half of all tea sales. These machines produce and pack some 1 500 tea bags per minute



rough breakdown of who gets what, from producer to consumer, out of those 25p?

— Tea is fetching at least 100p a kilo in auction. The costs have to be financed up to point of sale. I think the return may be between 70-80p to the producer. The biggest cost is in the blending, packaging and distribution. It's very difficult to say what the retailer's margin is because it varies. Tea is used by retailers to attract shoppers into the store and promoted at special prices.

Tea and politics

I think one has to understand this about the economics of tea: the actual price of the commodity is vital to the producer because his costs are more or less fixed, whereas to the distributor the price of tea is not important in itself—what is important is the amount he can sell and the margin he can make at whatever price he has to charge the consumer, since he has to pay the price on the world market. If the price of tea quadrupled tomorrow—it tripled in 1977—the immediate bonanza would be for the tea plantations, not the middlemen, because there would be pressure against paying more from both the consumer and the government. Tea is a very sensitive commodity politically, both in the developed world where tea is a traditional drink and in the developing world where it's an export earner and employer.

Politicians are very sensitive about the price of tea, particularly in England: you can double the price of a postage stamp, but if you put 1/2p on a package of tea everyone screams their heads off.

► *Brooke Bond is a multinational company. Do you have views on the role of multinationals in the Third Worlds?*

— I call it an international company. Multinational implies, to me, a company which has its international holdings company stock sold on more than one market; the only way you can buy Brooke Bond Liebig shares is on the London Stock Exchange.

I have very clear views on this issue. I think where a lot of people get muddled and a lot of the accusations fall flat is that we operate in these various countries as a guest in a host country. In other words, we cannot in any way dictate to the government of India, for instance, how we are going to conduct our business in India; in fact very much the contrary. We abide by the laws of India, which are stringent. Besides, our shareholding is now down to 40% of our distribution company and 74% of our plantation companies in India. We are only able to operate in these countries because we are a good guest.

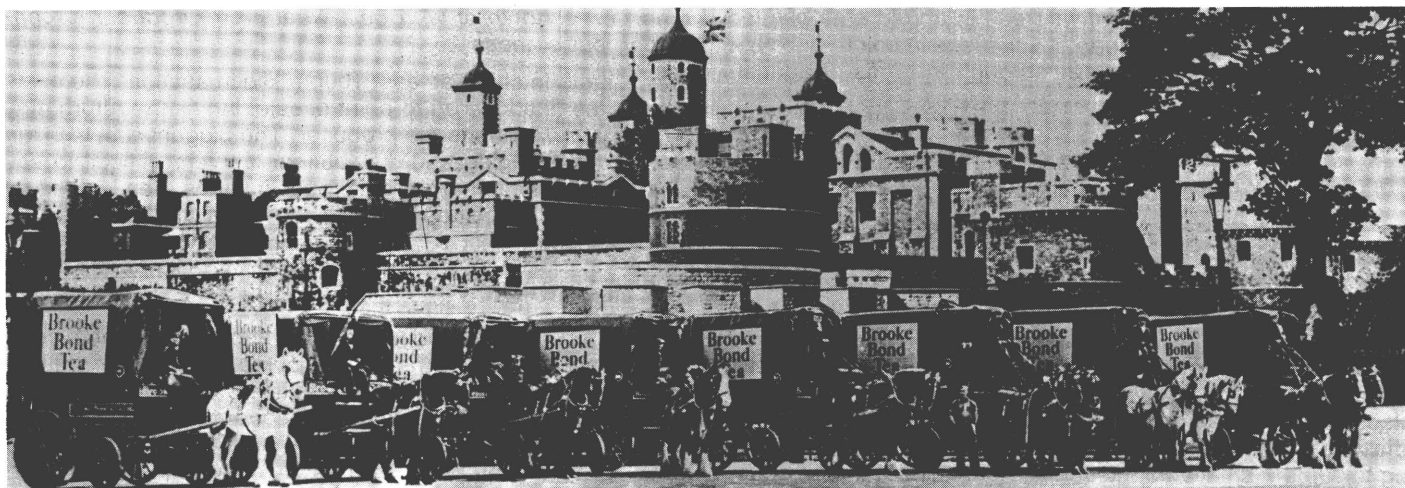
Now, as to whether we benefit their economies, it would be best to ask the countries concerned. Our job obviously is to make a return for our shareholders, employees and customers. If we are successful all our employees, in both developed and developing countries, benefit one way or another. If we're very unsuccessful they're out of a job.

I believe we actually contribute very meaningfully to the host countries' economies, because I would suggest that the international, transnational, multinational companies' conditions of service, remuneration levels, standards and principles in terms of their employees and ethics in terms of their trade are of the highest. They have to be, because we are always being attacked. So it's a bit paradoxical to say that we are the big bad villains.

► *Have the standards become high because you are attacked?*

— No, I believe companies are only successful if they have well-motivated and contented employees. The company is as good as the people who work in it.

► *Can you give some examples of how your operations have been affected by national or international legislation?*



Before the age of motor transport, Brooke Bond distributors line up in front of the Tower of London

— We have a marketing operation which sells and distributes tea and coffee and other products within India. Well, Indian legislation on foreign enterprises has meant that we have had to dilute our equity down to 40%, so we are now in a minority in terms of ownership. But our discussions with the Indian government resulted in new investment and new employment, with export potential and foreign exchange earnings potential. We have just commissioned the first major meat works for export in India, financed by the sale of our previous assets. And it has made us a bigger company. That seems to me to be a perfect partnership.

We have never been forced to diversify into other sectors. If we felt it was commercially undesirable, we would rather withdraw. The Tanzanian economy is very weak at the moment. They have a chronic shortage of foreign exchange. We have a very substantial tea plantation investment in Tanzania and there is a temporary ban on dividends, so we can't get any money out. Now, our attitude is: we have an investment there; let us use the money that is being temporarily blocked because of the Tanzanian economic problems and plough it back into the industry, because if we can help to get the economy right we are going to benefit in the long term. Normally we would have taken a percentage of local profits back to the UK in dividends, as it is essential to achieve a realistic cash flow to the UK from overseas operations to cover dividend costs to our shareholders.

► *What are the main problems for the tea trade today?*

— The producers need to get an economic price for the product. Their costs are rising sharply. In our view, the best way to achieve that is to push up consumption, and so in conjunction with the producer governments we are running advertising campaigns to promote tea drinking. We have one in the UK at the moment which is investing over £1 million a year for three years. All the tea companies contribute to this campaign, as well as having their own campaigns to sell their own particular brand.

And we think it's very important to allow natural demand to grow in the developing world. The problem, of course, is that the governments in the developing world always have to consider the need for foreign exchange earnings. That's a very sensitive issue. I personally believe that in the next 10 years tea revenues are going to appreciate sharply, because I don't see where the extra production is coming from, whereas I can see natural demand growing regardless of what happens externally. The Indians are going to drink more tea.

► *And for Africa that might be true as well?*

— Yes, but Africa hasn't got the population and potential that India's got. I mean, how many Kenyans are there— 33 million?

► *About half that number, I think. But there are about 100 million Nigerians. It does add up.*

— Yes, but Nigerians are not natural tea-drinkers. You can't overcome natural habits, you know. Imagine trying to make 105 million Brazilians drink tea instead of coffee. A very daunting prospect! But I personally believe that in the next three to five years, tea is going to appreciate quite sharply in price.

► *In that case, perhaps there aren't many problems for the tea trade?*

— I don't believe there are, really, in the long term. I think there is a limit to what one can do to make the product more convenient to the consumer. Tea bags are about as convenient as you can get. Instant tea has had some success, in the United States particularly. I don't see a great deal of technical improvement in terms of the presentation of tea to the consumer.

Improvements will continue at the primary production end, in yields and production methods. And we might have a new International Tea Agreement. We have consistently supported the concept; unfortunately, the producer countries themselves have never been able to agree and in particular, of course, the more successful and newer countries growing tea have not been prepared to see that successful development brought to a halt or restricted.

New producers

► *It's an ancient trade, the tea trade. How would a new tea-producing country get its foot in the door?*

— I think if it produced tea of a reasonable quality there would be no problem. There are many new countries in the export tea trade now: Papua New Guinea, Argentina, Turkey, Iran, Russia. The big joker in the pack is mainland China; at the moment it exports very little of its own produce because it consumes it internally, with 900 million people, but if the Chinese wished to earn further foreign exchange in order to import technology it may be that they could upset the balance by exporting more tea. But there would be no prejudice among the buyers in using new tea from new areas. The tea trade is not unique but it is unusual in that tea is all traded physically. The vast majority of tea is traded through auction, cash on the nail, and it is bought and sold on small samples representing very large sums of money. There are no written contracts. It is an extremely ethical trade. I can hardly remember any case of legal arbitration. In a way it's a remarkably stable trade; some say it is old-fashioned; it is very competitive, but it is also very fair and I think it has got a great future. ○

Interview by B.T.

The tea trade and industry need stable prices

Interview with R. Van de Meeberg, Secretary of the European Tea Committee

Because of countries like Britain and Ireland, where tea consumption per head is almost four kilos a year, the EEC is one of the world's main traditional tea markets. In spite of the growth in the volume of tea dealt with directly in the auction centres in exporting countries, London remains the main centre of international tea transactions and places such as Rotterdam, in the Netherlands, are also very active. In order to harmonize their role in the international tea trade the main importing countries in the EEC are grouped in the European Tea Committee. Its secretary-general, Mr Van de Meeberg, who for the past 50 years has been professionally closely involved in the tea trade, explained its objectives to the *Courier*.

The European Tea Committee was started in Belgium and Holland, long before there were nine countries in the EEC and gradually the other members of the Community joined it. The idea of the European Tea Committee was to harmonize legislation and taxes in Benelux, and later on in the whole of the EEC. It has nothing to do with promotion or trade. Its objective is to harmonize legislation within the EEC in every respect, food legislation being a particularly important area.

► *What particular issues are you dealing with at the moment?*

— For the moment, there are mainly two. The first is food legislation: standardization is important for tea, and that's the concern of the International Standardization Organization. The second important point, of course, is a possible International Tea Agreement.

► *There seems to be a general consensus on the necessity for a tea agreement, so why isn't there one?*

— There is no doubt about it. Both the producing and the consumer countries are interested and the EEC has committed itself to come to an International Tea Agreement with stabilized prices at a level equitable to producers and acceptable to consumers.

► *So you think there are good prospects for achieving an agreement in the near future?*

— I believe that there are good prospects. But how it will work out, and at what pace, in my opinion will depend first on the development of prices on the world market. It's natural that if market prices go down with production going up, then the need for an agreement is much more urgent than if there



R. Van de Meeberg

is, say, a short crop, when the value will go up automatically. I do believe it is bound to come. But we have got to realize that we have many difficulties to overcome; the new producing countries, mainly in Africa, will find it very difficult to give up even part of their projects for the coming years. It will be very difficult, but under the pressure of circumstances, I do believe that an agreement will definitely come.

We held meetings on that subject in Geneva in December last year, and before that in November in Blantyre, which was a meeting of the producing countries only. In Blantyre they worked out certain proposals which were submitted to the producers and consumers in December, and it was decided to work these proposals out. And next May there is going to be a meeting of producing countries again in Bandoeng (Indonesia). We will just have to wait and see how that works out and whether or not, and to what extent, the producing countries will come to a conclusion. They may have to work out an allocation of export quotas for the various countries.

► *I understand that the producing countries are opposed to the quota system while the consumers are opposed to the system of buffer stocks.*

— Buffer stocks are just one remedial measure. I believe export quotas will be the only solution for the stabilization of prices, because this means gearing export availabilities to import possibilities. Only then can you reach a price level that will be acceptable. So this is absolutely the prime remedial measure: export quotas. It is understandable that some of the exporting countries are not much in favour of the restriction of their exports, particularly when they don't have much domestic consumption themselves. But, nevertheless, I still believe that under the pressure of circumstances they will have to accept this, and I even believe there might be a generous gesture from the old producing countries by which I mean India, Sri Lanka, possibly Indonesia; they together have maybe 80% of world exports in their hands. They seem to be prepared to sacrifice something of their own export availabilities to make it possible for the smaller, new exporting countries to carry on unhampered in their efforts to make tea a means of livelihood for their population.

That is one of the most important things. It's not that easy to restrict production because tea is very, very labour-intensive. You cannot just close down a tea estate. You can't close down a plantation—what are you going to do with the people? There is probably no industry as labour-intensive as tea.

► *In real terms, tea prices have been declining. What consequences might that have on your trade relations with the producing countries?*

— Well, for the consumer countries it's not much of a problem at all. You must look at it from the angle of the producing countries. Any agreement will mean that the importing consumer countries will have to pay more for their tea. A tea plantation is a plot of land where people are living 100% on the industry. They must be able to make a living.

► *Yet there is a growing feeling that Third World countries should concentrate on growing food instead of cash crops.*

— In Africa, of course, you have smallholders, as in Kenya, who grow tea at the same time as maize. They've got to be self-supporting. But it's not that easy giving up a tea plantation—the investment takes four or five years to start paying off.

► *What influence have UN organizations had on the tea trade so far?*

— They have made studies and projections, all of which were very useful. The FAO is more the technical organization and UNCTAD, let's say, the trade development specialists. The political aspects play a more important role with UNCTAD but both are working together.

► *An article of your statutes stipulates that one objective of the European Tea Committee is to perform everything which is in the interests of the tea trade and industry. What is good for the tea trade and industry?*

— What is good for the tea trade and industry is to have stable prices. Stable prices can be reached by an agreement,



At a London tea auction: a "highly ethical" trade

if need be, an International Tea Agreement. But considering that tea production all over the world is increasing, then consumption has got to grow too. Both an increase in production and an increase in consumption is our concern. We are cooperating with organizations like UNCTAD, FAO, etc., and any organization involved in the tea trade and industry, making information available, etc.

► *Are there prospects for an increased membership of the ETC?*

— Well, there are nine member countries now and there are going to be more in the EEC but they are not important consumer countries.

The European Tea Committee is not the only important body. You have to bear in mind that the tea associations in the various countries are influential. But we must not overrate the influence of the tea associations, if there are discussions in Brussels or anywhere else on tea, the government delegates will consult the trade, and the trade, on its own initiative, could always come up with certain suggestions. That's why these tea associations—and, in the end, the European Tea Committee—are important.

And it is important, of course that if a certain subject is being handled in Brussels or wherever, we as the European tea interests in the EEC speak with one voice. It would be a waste of time if the Netherlands delegate said this, the British delegate that and the Germans something else before they go to Brussels. The government delegates of the nine countries have their information, suggestions and recommendations from the trade advisors and speak with one voice. There may be nuances here and there, but these are not very important. ○

Interview by A.T.



Tea tasters in London: no machine can blend teas to achieve a range of uniform tastes

Tea Council

Tea Council

Tea: "a new dimension to rural development"

Interview with T.S. Broca(*)

By bringing in foreign exchange, the export trade fuels development in the Third World. But there is a lot of ground to cover before a producer becomes an exporter, from market research to sales promotion, from technical adaptation to sorting out the legal red tape.

The principal tea-producing countries are well aware of it and their various moves towards cooperation led to the establishment in February of the International Tea Promotion Association, set up in Rotterdam with the help of UNCTAD, GATT and the Commonwealth Secretariat. Its members are currently India, Indonesia, Bangladesh, Sri Lanka and five ACP countries: Kenya, Malawi, Mauritius, Tanzania and Uganda, but it is open to any tea-producing countries that wish to join.

The role of the ITPA is described by its executive director, Mr T.S. Broca, former head of the Indian Tea Board.

► *What are the main objectives of the International Tea Promotion Association?*

— The International Tea Promotion Association is an association of tea-producing and tea-exporting countries, the main objective of which is to coordinate policy and action regarding the generic promotion of tea as a beverage. In other words, the ITPA would like to see that tea-drinking in general increases in the world. For this purpose we would like to make an assessment of the potential markets, formulate programmes of promotion and eventually monitor the implementation of the programmes and evaluate the results which are achieved. So the entire set of objectives is linked to expanding the demand for and the consumption of tea as a beverage, irrespective of the country of origin and the brand names under which it is sold.

► *Your members represent 90% of world production of black tea. Can the International Tea Promotion Association be an organization such as OPEC and dictate its own conditions?*

— The ITPA promotes tea as a beverage, so it is just a promotion organization. It has nothing to do with trading. Prices and conditions can be dictated only by a trading organization. We do not have that function at all.

► *You said your main objective was to expand the demand for tea. Are there good prospects for increased demand in view of the growing importance of various other infusions?*

— People are drinking more infusions. In many places these infusions are even given the name of "herbal teas",

which they are not. In most cases there is no element of tea at all in these infusions. They come from various other plant origins. We do not feel that these infusions pose a threat to tea, because, compared to the overall consumption of tea in the major consuming countries, the total consumption of infusions is very, very small indeed. The future of demand for tea is very bright for various reasons, among which is the rise in the population of the world, including the developed world, where we find that demand has been increasing at about 1.5% to 2% per annum. Again, in the Third World countries the population has been increasing at a much faster pace and we have found that demand for tea has gone up in many such countries, notably Pakistan, Egypt and Afghanistan. Of late there have been various problems, but when we look at the overall world demand, the prospects are indeed very bright.

New markets

► *What markets will be the first targets of your promotion campaign?*

— I think before I answer this question I should mention that even before the International Tea Promotion Association was formed, cooperation in the generic promotion of tea was already going on in various important markets through the tea councils, which are joint bodies formed by the important tea-exporting countries like India, Sri Lanka and Kenya, and the tea trade in consumer countries. These include, for instance, the world's largest import market, the United Kingdom, the world's second largest import market, the United States, and such other important markets as Ireland, West Germany, France, Canada, Australia and New Zealand. So in these seven or eight countries the work of generic tea promotion was already going on even before the ITPA came into existence.

The work of promotion in these countries should be intensified in the future.

I will now answer your question: which are the other markets where we would like to go? Our method is that before we take up any promotional programme in a new country, we conduct a market survey to see what is the potential market for tea in that country. Among other things, one has to consider the size of the population, the existing knowledge of and usage of tea as a beverage, restrictions on the import of tea—in other words, if we spent money on promotion, would additional trade follow? Again, we look at the advertising, public relations and promotion methods and media, and also decide whether the cost/benefit ratio would be favourable.

I'm glad to say that in this matter of making a market survey we have received a great deal of support and help from various international and national organizations. For instance, the Commonwealth Secretariat in London has helped us to conduct studies in three important potential areas, Italy, Nigeria and Japan. The Norwegian International Development Agency has given financial assistance through the

"The future of demand for tea is very bright"



(*) Executive director of the ITPA.

International Trade Centre of UNCTAD/GATT in Geneva, and with that assistance two more market studies have been completed, in Egypt and Sudan—both North African markets. Now we are examining these five reports to decide how best to proceed on this matter. At its next meeting we expect the governing board of the ITPA to take decisions on the promotional programmes to be undertaken in these five countries. Eighteen more countries have been identified where market studies would be taken up in the next two years.

I would like to add that we are at the moment engaged in discussions with research agencies in Rotterdam, on how to conduct a market survey in the Netherlands, before undertaking promotional work here.

► *And the results of these surveys are made available to your member states?*

— Yes.

► *And they act accordingly?*

— The governing board of the ITPA would consider these reports and decide on the action to be taken.

► *There are many minor tea producers with prospects of greater production. Are they a potential threat to your position?*

— Not at all. In fact, we are about to address a letter to all of them, suggesting they become members of the International Tea Promotion Association. So it is an organization of all tea-producing countries, big and small. At the moment only nine countries have deposited the instruments of accession with the secretary-general of the United Nations, who is the depository for this treaty. That is why at the moment there are only nine members, and we are addressing 12 more countries to become members of the ITPA. They are common partners with us in expanding the demand for tea. We feel that if the demand for tea goes up, it benefits everybody, big and small.

An international agreement: "vital for the producers"

► *What are your ideas concerning an International Tea Agreement?*

— The ITPA as an organization is concerned only with the promotion of tea, not with the regulatory functions inherent in an International Tea Agreement. An International Tea Agreement would aim to get the two sides, the producing and consuming sides, together, with the common aim of achieving more stable prices at reasonable levels which would satisfy both the producers and the consumers.

It is vital for the producers, because even if you consider only the nine member countries of ITPA, there are about four million families who depend on tea for their livelihood. So reasonable prices for tea to them also mean remunerative prices, enabling them to pay a living wage to the workers and also have some funds left over for undertaking the development of the plantations. That way they can improve the productivity in the future. At the same time, tea should not be at a very high price in the consuming countries. But I think I must add that tea continues to be one of the cheapest beverages in the world. In fact, in many places it is common knowledge that, next to water, tea is the cheapest beverage available. Therefore there is a great deal of scope for the improvement of tea prices; but, as I said, this has to be achieved by cooperative action by both the producers and the consumers.

► *Do you think that such an agreement can remedy the fall in real terms of the income of the producing countries?*

— Producer countries no doubt have been getting less and less income from their exports. But the situation was slightly reversed between 1974 and 1977. If the agreement, with the usual provisions which we have seen in other such agreements—like export quotas, either with or without buffer stocks—is properly implemented, it will mean an improvement in the prices, and that will naturally result in greater foreign exchange earnings and greater incomes in the producing area. Tea provides employment and rural incomes in those areas where there is no other industry.

"The future belongs to small growers"

There is one other factor to note in many tea-producing countries, including the traditional ones like Sri Lanka and Indonesia but especially in the new tea-producing countries like Kenya, Tanzania and Malawi: tea is no longer allowed to be grown under the system of plantations. What I mean is that no new plantations are being established. Today, tea is being grown by a large number of small growers, which is quite the reverse of the earlier process when a small number of large growers used to grow it. This has added a new dimension to rural development. We have seen that where small growers have developed, new roads have come up, new schools have been established, new market areas have been established and all-round economic development has taken place. Tea has acted more or less as a cash crop, to bring them regular monthly incomes, as leaf tea is harvested around the year. So, in these rural areas, there are wide repercussions if the international price of tea continues to go down, whether in money terms or in real terms. Therefore it is vital that there should be some understanding between the producing and consuming countries, so that the prices can be improved.

► *The producers and consumers of cocoa recently failed to reach an agreement. Don't you think that this could further delay the conclusion of a tea agreement?*

— I don't think so, because when the tea people were discussing and failing to reach an agreement, we saw the cocoa people discussing and reaching an agreement; so I can well see a reverse situation, where the cocoa people cannot reach an agreement but the tea people can. Of course, one commodity always has repercussions on another. But we do feel that it is not really affecting the other commodities.

► *The Lomé Convention provides a guarantee, under Stabex, to ACP tea producers, who include five of your member countries. Has that affected the tea trade?*

— I don't think it has affected the tea trade, because the trade has gone on in the normal way. The Convention guaranteed a return related to the base years for which the calculations are made and payment is made in foreign exchange. So the trade goes on in the normal way. But the producing countries have this assurance; if they suffer a loss in foreign exchange earnings, the Community will make it good. But I believe such a situation has not yet arisen.

► *Is this guarantee a reason for more investment in tea?*

— No doubt it helps. Up to 1973 tea prices declined for almost 16 years continuously, and in real terms the fall was very considerable. It was only after 1974 that tea prices continued to improve, till about '77; from '78 onwards tea prices have again shown a decline. So if there is a guarantee like this, it helps the climate of investment in tea. But, as I mentioned, the future belongs to small growers, especially in the African countries. This must be sustained and this kind of guarantee is of great importance to such smallholders. ○

Interview by A.T.

Towards a new International Tea Agreement? (*)

Tea has a fairly long history of international discussion and negotiation which resulted in the first instance in the conclusion of the International Tea Agreement of 1933, the first of a series of producer agreements which continued throughout the 1930s and the early post-war years.

Discussions begun in the mid-1960s within the framework of FAO led to the establishment of a standing Consultative Committee on Tea and, in the early 1970s, an informal export quota arrangement operated by exporting countries under its auspices. The FAO Intergovernmental Group on Tea (as the consultative committee was subsequently redesignated) and its sub-groups of exporters and promotion have continued to meet to try and find solutions to the problems confronting the world tea economy.

The first International Tea Agreement

In 1933, the first International Tea Agreement was established with the principal objective of restoring equilibrium between world supply and demand after a period of declining prices owing to substantially increased supplies and a slump in demand caused by the world depression. Between 1929 and 1932, average prices at the London auctions declined by 42%. The agreement, for a period of five years, was signed by the tea industries of India, Ceylon (Sri Lanka) and the Netherlands East Indies (Indonesia), which together at that time accounted for about 85% of world exports of black tea.

The provisions of the agreement were embodied in national legislation. Exports were regulated by government action on the basis of "standard exports" (for each country, the maximum volume of exports in any of the three years 1929-1931); new plantings by member countries were prohibited except in special circumstances and to a prescribed limited extent; and seed exports to non-participants were also prohibited. The agreement provided for the collection and publication of statistics, the study of consumption developments and the exploration of ways and means of increasing tea consumption. Participants recognized the importance of demand creation and for this purpose established an International Tea Market Expansion Board in 1934. Production as such was not restricted by the agreement and growers were free to sell on domestic markets tea that could not be exported⁽¹⁾. The agreement did not contain any specific price objectives and in setting quotas the International Tea Committee was guided by the volume of world production and stocks and the apparent trend of consumption. It disclaimed any attempt to fix prices.

World tea prices began to recover immediately after the agreement came into force in 1933, and in 1934 prices at the London auctions reached 13.3 pence per lb., compared with a low of 9.5 pence per lb. in 1932. Between 1933 and 1938 prices were maintained at around 75% of the 1925-1929, pre-depression, level. This recovery was far better than for most other commodities, including coffee, cocoa and sugar. Exports were not in fact severely restricted: the average

reduction in world exports in 1933-1938 compared with the last four pre-agreement years was only 8%. Exports from member countries were kept strictly within their respective quotas and permitted carryovers, but those from other producing countries increased by 14%.

During the currency of the first agreement, the governments and tea producers of Kenya, Uganda, Tanganyika (Tanzania), Nyasaland (Malawi) and Malaya (Malaysia) agreed to support the scheme to the extent of accepting certain limitations to the expansion of their planted areas. When the second agreement was negotiated in 1938 for a further five years, the four African countries also made provision for export regulation. The arrangements for these countries allowed for higher planting rates than for the three original members and their "standard exports" took account of their current production potentials. This agreement was extended in 1943 for the duration of the war and a period thereafter, mainly in order to keep the administrative machinery intact. Following the loss of supplies from the then Netherlands East Indies, actual export quotas were raised to non-restrictive levels.

In 1948 the tea industries of India, Ceylon, Indonesia and Pakistan entered into a two-year Interim Producers' Agreement, which was succeeded by a five-year agreement among the same countries which expired in March 1955 after a major price rise. With reduced production in a number of countries, particularly Indonesia, the planting and replanting restrictions under these agreements were successively relaxed and, although export quotas continued to be allotted, they were not restrictive, averaging 30% higher than the total exports of the participating countries.

Ad hoc FAO Consultation on Tea

The record prices of 1954 were followed by a steady and prolonged decline. In 1964, the 37th session of the FAO Committee on Commodity Problems (CCP), noting the erosion of tea prices over the preceding decade, decided that a consultation on tea should be convened. The first FAO *Ad hoc* Consultation on Tea was held in Sri Lanka in May 1965 to examine the state of the world tea economy and to consider whether or not to establish a forum for regular consultations on tea. It concluded that it was premature to establish a permanent study group but that in view of the uncertain future, the situation and outlook for tea should be kept under review.

At the second *ad hoc* consultation, held in 1967, a number of countries expressed concern about the continued fall in prices, but there was no consensus on its main causes. Some delegations felt that marketing systems had contributed, while others considered that the major factor was the pressure of supplies, particularly of plain teas. The possibility of imposing a ban on the export of low quality teas was suggested but it was recognized that this would necessitate the elaboration of international standards for tea.

By the beginning of 1969 there had been a serious deterioration of prices and decisions to proceed to the development of an action programme came quickly. The representatives of exporting countries stressed the need for action, since it appeared that any feasible scale of promotion activity would be unlikely to expand consumption enough to prevent a continuation of the downward price trend. They were assured of the cooperation of importing countries in securing stable prices, remunerative to producers and equitable to consumers.

A decision to recommend the establishment of a permanent forum for consultations on all problems connected with tea—the Consultative Committee on Tea—was made at the

(*) From the FAO *Review of international action and discussions on tea*, prepared for the first UNCTAD preparatory meeting on tea in 1978.

(1) In practice each country established "standard production" figures for each producing unit so as to permit an equitable distribution of its export quota.

third *ad hoc* FAO consultation held in Kampala in January 1969.

Since the new Consultative Committee on Tea could not be established without formal CCP approval, the meeting also recommended the convening of an *ad hoc* working party to meet quickly to examine possibilities for short-term measures to improve the market situation as well as for a longer-term agreement. The *ad hoc* Working Party on International Arrangements for the Stabilization of Tea Prices which met in May 1969 considered, without commitment, a draft of a formal longer-term export quota type of agreement for tea. The working party as a whole made no progress on short-term measures. However, delegates of exporting countries reported that they had agreed, in the light of what appeared to be a seriously deteriorating market situation, to recommend to their governments that, pending the possible negotiation of an international agreement, an informal scheme should be negotiated between themselves to become effective, if possible, by the beginning of 1970.

The Mauritius Agreement

A meeting of tea-exporting countries was convened by the government of Mauritius in July 1969, with representatives of FAO and UNCTAD attending as advisers. At this meeting delegates agreed to recommend to their governments a scheme for removing some 45 000 tons of black tea from the export market in 1970. At the first session of the FAO consultative committee in December 1969 representatives of all exporting countries, with the exception of Tanzania, which had not been represented at the Mauritius meeting, confirmed their intention to participate in this interim quota scheme. The aim of the scheme was to keep prices as close as possible to the 1968 level, which itself had been the lowest level for more than 15 years, even in current terms.

The Mauritius quotas did not impose severe restraints on the exports of participating countries. The agreement was not formal and its enforcement and implementation depended essentially on the goodwill and voluntary action of participating governments. Yet it did have an immediate price effect. After 1970, although the informal arrangement was continued, the individual quotas were usually either synonymous with or, in most cases, in excess of export availabilities. Any element of restraint on world exports disappeared and the price gains of 1970 were lost.

The Mauritius Agreement was a response to a price emergency on the understanding that preparations and

negotiations for a long-term agreement should be set in motion. In this regard, the first session of the consultative committee established a working party on long-term measures which met in April 1970. After reviewing the long-term outlook for tea, the working party agreed on the whole that a quota type agreement appeared to be the most suitable for tea and that work should proceed on the basis of the draft text which had been prepared by the earlier *ad hoc* working party. However, most exporting countries felt that attention should first be concentrated on reconciling their differences of view on the determination of quotas. Two conciliators were therefore appointed, one from FAO and one from UNCTAD.

The second session of the consultative committee, held in November 1970, established a standing group on promotion, open to all participating countries, to study the ways and means of expanding the consumption of tea and related matters, including the collection of funds and priorities for their allocation. Exporting countries reaffirmed their objective of ensuring that export supplies were kept in line with the development of import demand over the longer term, the two major exporters confirming their acceptance of a principle of differential growth in favour of newer producing countries.

A global quota was set for 1971 under the interim arrangement but agreement on individual quotas was delayed and they were eventually set for a period of 15 months to March 1978. Thereafter the annual quotas were made on an April-March basis and from 1972/73 they were set, subject to annual review, for two quota years ahead with a provisional global quota for a third year. However, despite the efforts of the conciliators, little progress was made during this period on a longer-term arrangement based primarily on export quotas and in 1973 the sixth session of the sub-group of exporters recognized the need for a comprehensive multi-dimensional approach to international cooperation for achieving remunerative prices, including measures in the fields of promotion, marketing and pricing policies.

Multidimensional approach to international cooperation on tea

By the time of its seventh session in 1974 there had been a severe rise in the costs of tea production and transport and, despite a recent improvement in auction prices, the sub-group concluded that it was vital for the survival of the tea industry that effective measures be taken to sustain and increase the "real" price of tea. It agreed to examine the feasibility of a multidimensional international agreement for tea.

The special session of the intergovernmental group, convened in June 1974 in pursuance of UNCTAD resolution 83(III) in connection with access to markets and pricing policy, supported the exporters' request for a working party of the sub-group to undertake this study.

The working party, which met in April 1975, considered the individual elements of the multidimensional approach. Meanwhile, following the 1973 discussions on promotion in the sub-group of promotion and the sub-group of exporters, the International Trade Centre UNCTAD/GATT and the Commonwealth Secretariat had jointly organized, in cooperation with FAO, an international symposium on tea market expansion. This had concluded that there was a need to coordinate and intensify the generic promotion of tea and recommended the establishment of an international body for this purpose. The working party endorsed this recommendation and expressed the view that such a body should be composed of producing countries exercising control over the planning and execution of its promotion programmes. In principle, these would be carried out through tea councils in various countries in association with the local trade interests. A number of meetings over the next three years led to the establishment of the International Tea Promotion Association.



Picking tea on the Pattiyaagama cooperative farm in Sri Lanka. Ceylon was one of the few members of the first International Tea Agreement

Consideration of market stabilization and other measures

In examining the other elements of the multidimensional approach, the working party of the sub-group of exporters considered that a minimum export price arrangement using a unique minimum export price for all countries would be inequitable and unworkable. It also recommended against a scheme involving a hierarchy of minimum export prices for different quality categories. It did not rule out the possibility of establishing a separate export minimum or floor price for each participating country, but it recognized that there would be considerable technical difficulties in determining and implementing such prices in an equitable manner.

The working party examined two approaches to coordination and regulation of marketing: first, interim measures (such as *ad hoc* cooperation to shift surpluses to domestic markets, or to reduce stocks in importing countries) which might prove useful in a situation of relative balance between demand and supply; and second, an export quota arrangement in the context of a formal longer-term agreement. Unlike the former International Tea Agreement and the informal quota arrangement, this type of arrangement would provide for specific price objectives and, in particular, a minimum price objective; basic export quotas with scope for necessary flexibility over the life of the agreement; and a quota adjustment mechanism for the continuing management of prices linked to the behaviour of a selected indicator price. Some delegates supported such a scheme but others, notably of some African countries, pointed to the difficulties that might be encountered in countries where smallholder tea-growing was being expanded. Delegates from these countries have emphasized throughout the long series of discussions on an international tea agreement the importance of tea to their overall development plans and the need to ensure their programmes for production expansion were maintained.

As regards an independent market intelligence service, the working party recognized that the costs of such a service for exporting countries would be substantial. The possibilities were considered of making greater use of the existing services of international organizations pending the negotiation of an international agreement which could provide for such a service, and of establishing a sub-group on statistics. This was set up and its first session, in February 1977, recommended that the International Tea Committee should continue to publish tea statistics and that, in view of the wide usage of its publications, interested countries including importing countries should endeavour to encourage contributions to its financing. As regards the rationalization of marketing, the working party was informed that UNCTAD was undertaking a study on the marketing and distribution of tea.

Objectives of an International Tea Programme

In April 1976 the UK government submitted a proposal for an international tea agreement incorporating *inter alia* a "stand-by" quota scheme which would only go into operation in the event of a serious fall in prices and be suspended as soon as possible. This was examined in February 1977. With the improvement in tea prices which had meanwhile taken place, a number of delegations of exporting countries felt that it was premature to consider any proposal for an international agreement involving export quotas. Others were in favour of commencing work on an agreement in view of the likelihood that the improved market situation would not last beyond the end of the decade. The sub-group considered its objectives for an international tea programme, taking account of those agreed with respect to the UNCTAD Integrated Programme for Commodities under UNCTAD resolution 93(IV), and adopted the following resolution:

"Recognizing the importance of tea for their economic development, production and diversification programmes, foreign exchange earnings and incomes of growers and workers, the tea producing and exporting countries reiterated the following basic objectives of an international programme for tea:

- to improve, in real terms, export earnings from tea and returns to growers;
- to cater and provide for the special needs of smallholder tea growers;
- to create stable conditions in the international tea trade, while avoiding excessive price fluctuations by promoting and maintaining equilibrium between supply and demand within an expanding world tea trade;
- to ensure that the prices of tea in international trade are just and remunerative to producers and equitable to consumers;
- to take account, in establishing price objectives for tea, of changes in the world monetary system and the rate of world inflation;
- while avoiding excessive accumulation of stocks in importing countries, to assure them of regular supplies of tea;
- to improve access to tea markets by the removal of tariff and non-tariff barriers, as well as internal and transit taxes, and to expand demand for tea in both traditional and new markets by removing all obstacles to tea consumption;
- to provide and strengthen statistical and market intelligence on tea;
- to provide a framework for improvements, wherever feasible, in the marketing, distribution, transport and transit systems for tea, including an increase in the participation of developing countries in these activities, such as blending, packaging, and the manufacture of tea products, and earnings from them."

The intergovernmental group as a whole agreed in principle with these basic objectives and a working party of 10 exporting countries was established to examine in depth, in accordance with UNCTAD resolution 93(IV), the required techniques and measures to achieve these objectives.

Proposals of the Working Party of Tea Exporting Countries

The proposals of this working party, which was held in September 1977, covered three main areas, namely: supply management, with compensatory financing in relation to export earnings; the reform and improvement of marketing arrangements and access for tea; and the stimulation of demand by increased promotion. They were examined by the intergovernmental group in October 1977, which agreed unanimously that the secretariats of FAO and UNCTAD should undertake an in-depth and comprehensive analysis of the feasibility of stocking arrangements for tea and of supplementary support measures; that there should be intensive promotion of tea under the auspices and guidance of the ITPA; that there should be gradual elimination of barriers to trade in tea, with particular attention to the importation of packaged tea and tea products from developing countries; that assistance should be given to countries with small outputs and land-locked countries in the marketing of their teas; that an international agreement should cater for the special needs of smallholder tea growers; and that an international agreement should provide for study of marketing and other problems of the world tea economy.

The intergovernmental group reaffirmed its agreement in principle to the basic objectives listed above and agreed that every effort should be made to negotiate an international tea agreement as soon as possible. ○

Entering the 1980s

by R. Van de Meeberg

On the face of it, 1979 was a fairly quiet year for the tea trade. There were strikes here and there and drought conditions resulting in smaller crops in some countries, but these events are accepted as being nothing abnormal nowadays, with hardly any effect on market prices. There was no sharp rise in prices, as in 1977, nor a dramatic fall, though generally world market prices showed a downward trend. It seems safe to say that the shortfall of approx. 30 000 metric tons of the north Indian crop kept prices up at what most buyers probably consider to be a reasonable level.

It will be noted that the gap in price between plain tea and quality tea has been widening constantly in recent years, which may be an indication of an imbalance between supply and demand developing, at least as far as lower and lowest kinds of tea are concerned.

According to FAO forecasts world production will outstrip consumption in the coming years. Entering a new decade now, it is interesting to see what developments there were during the past few decades.

Average prices at London auctions in pence per kg at end of December 1979

| | Annual average | All tea | Plain tea | Quality tea |
|------|---------------------------------|---------------------------------|-----------|-------------|
| 1975 | 62 ¹ / ₂ | 65 | 50 | 72 |
| 1976 | 84 ¹ / ₄ | 104 ¹ / ₄ | 83 | 125 |
| 1977 | 156 ¹ / ₄ | 118 ¹ / ₂ | 88 | 152 |
| 1978 | 113 ³ / ₄ | 111 ³ / ₄ | 70 | 136 |
| 1979 | 102 | 100 | 60 | 146 |

Exporting countries made it clear in Blantyre in November that they considered prices in 1979 unremunerative. They show concern at developments during the past year with market prices falling on the whole and production costs rising to an alarming extent. The cost of production in India, for instance, is reported to have doubled in five years.

Crop figures, main producing countries

(× 1 000 metric tons)

| | 1949 | 1959 | 1969 | 1976 | 1977 | 1978 | 1979 (estimated) |
|-------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|------------------|
| North India | 222 | 256 | 297 ¹ / ₂ | 400 ³ / ₄ | 430 | 441 | 400 |
| South India | 43 ³ / ₄ | 70 ¹ / ₂ | 96 | 112 | 131 ¹ / ₄ | 130 ¹ / ₂ | 140 |
| Sri Lanka | 136 | 188 | 219 ¹ / ₂ | 196 ¹ / ₂ | 208 ¹ / ₂ | 199 | 210 |
| Bangladesh | 21 | 26 | 30 | 33 ¹ / ₄ | 37 ¹ / ₂ | 36 ¹ / ₂ | 35 |
| Indonesia | 27 ¹ / ₄ | 44 ¹ / ₂ | 40 ³ / ₄ | 61 | 64 ¹ / ₄ | 73 | 73 |
| Kenya | 5 ¹ / ₄ | 12 ³ / ₄ | 36 | 62 | 86 ¹ / ₄ | 93 ¹ / ₂ | 105 |
| Malawi | 5 ³ / ₄ | 10 ¹ / ₂ | 17 | 28 ¹ / ₄ | 31 ³ / ₄ | 31 ³ / ₄ | 32 |
| Tanzania | 3 ³ / ₄ | 3 ³ / ₄ | 8 ³ / ₄ | 14 | 16 ³ / ₄ | 17 ¹ / ₄ | 18 |
| Uganda | 1 ¹ / ₂ | 4 ¹ / ₂ | 17 ¹ / ₂ | 15 ³ / ₄ | 15 ¹ / ₄ | 11 | 2 |
| Total | 463 ¹ / ₄ | 616 ¹ / ₂ | 763 | 923 ¹ / ₄ | 1 021 ¹ / ₂ | 1 033 ¹ / ₂ | 1015 |

Apart from the impressive increase in production in these countries there are the growing exports from other countries, such as:

(× 1 000 metric tons)

| | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 |
|-----------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------------|-------------------------------|
| Argentina | 14 ¹ / ₂ | 19 ¹ / ₄ | 22 ¹ / ₂ | 19 | 18 | 24 | 17 ¹ / ₂ | 25 ¹ / ₂ | 27 | 31 |
| Brazil | 2 ³ / ₄ | 4 | 5 ¹ / ₄ | 4 ¹ / ₂ | 5 ³ / ₄ | 5 ¹ / ₄ | 4 ¹ / ₂ | 5 ¹ / ₂ | 5 ¹ / ₄ | 7 ³ / ₄ |
| Turkey | 8 ¹ / ₄ | 7 ³ / ₄ | 17 ¹ / ₂ | 14 ³ / ₄ | 18 ³ / ₄ | 11 ¹ / ₂ | = | = | 4 ¹ / ₄ | 2 ¹ / ₄ |

For a number of reasons, exports from Turkey have almost come to a standstill. However, considering that production in Turkey reportedly amounts to well over 100 000 metric tons a year and taking into account Turkish domestic consumption of about 80 000 tons, it must be assumed that Turkey still has substantial export availabilities.

Mainland China stepped up production: 1978 output amounted to 268 000 metric tons, but the vast majority of this

is consumed in the country itself. Nevertheless, exports of black tea from China are now estimated at at least 60 000 tons, against about 20 000 tons 10 years ago.

Finally, exports from the USSR probably amount to approx. 15 000 tons a year.

Under the auspices of FAO/UNCTAD, producing and consuming countries have been discussing the desirability of coming to an International Tea Agreement for more than 15

| Tea imports (1949 - 1979) | | | | | | | |
|----------------------------------|----------------------|------|------|------|------|------|-------------------|
| | 1949 | 1959 | 1969 | 1976 | 1977 | 1978 | 1979 estimated |
| | (× 1000 metric tons) | | | | | | |
| United Kingdom | 212 | 228 | 190 | 199½ | 208 | 149 | 190 |
| Ireland | 8½ | 10 | 11¼ | 9½ | 15 | 9¾ | 12 |
| FR Germany | 1¾ | 7½ | 9¼ | 11½ | 12¾ | 12¾ | 14½ |
| Netherlands | 7½ | 9 | 8 | 9½ | 9½ | 8¾ | 9 |
| France | 2¼ | 1½ | 3¼ | 6¼ | 6½ | 6 | 7 |
| Italy | ½ | 1½ | 2¾ | 3½ | 3¾ | 2¾ | 3¼ |
| Poland | ½ | 5¾ | 8½ | 16¼ | 14 | 15 | 15 |
| Rest of Europe | 7 | 9 | 13 | 23 | 16 | 20 | 22 |
| Canada | 19¼ | 20¼ | 20½ | 22 | 22 | 20 | 20 |
| USA | 42¼ | 49¼ | 63¼ | 82¼ | 91¾ | 68¾ | 68 |
| Australia | 21¼ | 26¾ | 27 | 25½ | 25¼ | 22¼ | 23¼ |
| New Zealand | 5½ | 7 | 7½ | 7 | 9 | 6¼ | 6¼ |
| South Africa | 9 | 12¾ | 19½ | 20½ | 19 | 15 | 14 |
| | 337¼ | 388¾ | 383¾ | 436 | 402½ | 356¼ | 405 |
| USSR | 7¾ | 28¾ | 18¾ | 50¾ | 60 | 45¾ | |
| Afghanistan | 1 | 3¾ | 15½ | 14 | 13 | 14 | |
| Iran | 10½ | 10 | 6½ | 17 | 14 | 21 | |
| Iraq | 15½ | 16 | 23 | 27½ | 25 | 25 | |
| Pakistan | = | = | = | 49 | 60¾ | 57½ | |
| Other Asia | 5 | 24 | 44 | 76 | 53 | 52 | |
| Egypt | 16 | 19½ | 25 | 25 | 26¼ | 28 | |
| Libya | 1¼ | 3 | 10¼ | 13 | 14 | 14 | |
| Sudan | 4¾ | 9½ | 10 | 11 | 11½ | 12 | |
| Tunisia | 2 | 4¼ | 4¾ | 7¼ | 7¾ | 7¼ | |
| | 56 | 90 | 139 | 239¾ | 224¾ | 230¼ | |
| Domestic consumption in India | 69 | 116 | 203 | 286 | 300 | 335 | |
| | 125 | 206¼ | 342 | 525¾ | 524¾ | 565¾ | |

years, until not that long ago with little or no success; some producing countries showed little enthusiasm for such an agreement while some importing countries had strong reservations.

In November 1979, however, producing/exporting countries met in Blantyre (Malawi) and unanimously came to the conclusion that prices in 1979 had not been remunerative, that the outlook was for an imbalance between supply and demand. They considered that action had to be taken without further delay in order to stabilize prices which would be both remunerative to producers and equitable to consumers.

The consensus reached among producers came as somewhat of a surprise to consuming countries. They were of the view that tea prices were fairly stable, apart from the "incident" of the very high prices early in 1977, and that there was no apparent excess of supply over demand, with the exception perhaps of lowest quality teas.

The essence of the Blantyre proposals submitted by producers to the Intergovernmental Group of Experts on Tea and the second preparatory meeting on tea in Geneva (December 1979) is to stabilize prices for 1980 on a level of £ 1.05 per kg fob, this being the average of fob values (including export duties) at the auctions in Calcutta, Cochin, Colombo, Jakarta and Mombasa: £ 1.17 per kg fob is supposed to work out at £ 1.17 per kg London auction terms. Price objectives would be adjusted from time to time following the rate of inflation, exchange rates, etc.

To achieve the envisaged price objective, producers want an export regulation to be established with a small buffer stock as a secondary remedial measure. If prices fell 10% below the objective of £ 1.05 fob and reach the absolute minimum of £ 0.94 fob (£ 1.06 London auction terms) measures would have to be taken within the framework of the International Tea Agreement to prevent a further fall in prices (buffer stock and, first of all, export quotas).

The implications of the Blantyre proposals

In June 1980 producing/exporting and importing/consuming countries are expected to meet again (in Geneva probably) to consider the Blantyre proposals in detail. These details have still to be worked out and there can be no doubt that the implications of an International Tea Agreement are not to be underestimated, and in fact are formidable.

The old, 1933, agreement was an agreement between the governments of the United Kingdom and the Netherlands, regulating/restricting production and exports of tea from India, Ceylon and the (then) Netherlands East Indies, together responsible for about 90% of world tea exports.

There are many more producing/exporting countries now, though in principle the objectives of a new agreement are the same as of the old 1933 agreement, namely to come to stable and remunerative prices. One more, very important aspect is that under the old agreement imports in countries in the Near and Middle East, West Asia and also domestic consumption in producing countries were insignificant. The position is now completely different. However important tea consumption in the industrial Western world may still be in the overall picture of the global tea economy, exports to the Middle East, etc., together with domestic consumption in India, are now determining factors when it comes to regulating production and exports and stabilizing prices.

The import/consumption figures for these groups of countries (see previous page) illustrate what the changes and developments have been over the years.

Tea producing countries are almost without exception developing countries, depending chiefly on exports of agricul-

tural products for foreign exchange. In the case of Sri Lanka about 60% of the income in foreign exchange comes from the export of tea.

It is true that world market prices of tea in "real terms" are low and that prices can only be raised to a level that is more remunerative to producers if appropriate measures are taken to eliminate a possible future surplus of supply over demand. Producing countries are now determined to take such measures in 1980. However, the deeper the studies on the implications of an International Tea Agreement, the more one will come to the conclusion that there are some serious stumbling-blocks.

The rules of an international agreement have to be observed strictly. To "police" imports of quota (and non-quota) tea on the importing side may be an illusion, considering that a very large portion of all tea exports is made to countries—such as in the Middle East—where governmental administration is not equipped with the mechanism required to carry out strict "policing". Consequently, it would have to be the sole responsibility of exporting countries to see that exports do not exceed the quota granted. This is in the producers' interest in the first place.

Usually, consumers and producers have different ideas on price levels. It is all very well to pay higher prices for tea to producers, but as pointed out already, a good deal of world exports is made to developing importing countries, such as Pakistan, Egypt, Sudan, etc., which are non-OPEC countries. An effective International Tea Agreement, with export quotas, etc., can and will raise the price of tea in due course, but at the same time this would imply that developing importing countries have to transfer money (by paying higher tea prices) to another group of developing (producing) countries.

Increasing world consumption

In addition to "economic measures" to enforce minimum prices, such as export quotas and possibly a small buffer stock, there are the efforts to increase world tea consumption. To this end the International Tea Promotion Association has been established, with headquarters at Rotterdam, sponsored by the International Trade Centre (UNCTAD/GATT, Geneva). Positive results of promotion can only be expected in the long run while higher tea prices will stand in the way of an increase in consumption in low-income developing countries.

1979 gave plenty of food for thought. Consumption figures in the industrialized Western world on the whole have been rather disappointing and in some instances fell short of those for 1976. 1977 was an abnormal year, with heavy imports due to the high coffee prices (with tea consumption actually not going up) and the correction to the high 1977 import figures came in 1978, with a sharp decline.

India's projections were for a total crop of 600 000 metric tons in 1979 (1978 crop 560 000 metric tons). However, there is a shortfall of some 35 000 metric tons this year as compared with 1978. This is partly made up by an extra 10 000 tons from South India. The fact remains that this year's total Indian crop is expected to be in the order of 540 000 metric tons against projections of 600 000 tons. Nevertheless world market prices showed a downward trend in 1979.

Though there is a tendency for world output to grow and cost of production to increase sharply, it should be realized that the buyers' general complaint is that the quality of what is offered at various selling centres is disappointing. Their contention is that there is no indication at all of a surplus of medium and good quality tea in the foreseeable future. If there is a problem, then it is in respect of plain and plainest tea. The widening gap in price between plain tea and quality tea seems to confirm this view. ○ R.V.d.M.

Kenya, the main ACP tea producer

Kenya is by far the largest tea-producing country in the ACP group. The dramatic increase in Kenya's production is mainly due to the introduction of the smallholders scheme by the Kenyan Tea Development Authority (KTDA), a parastatal organization which operates like a private firm.

The KTDA and the tea industry(*)

Tea is one of the major cash crops which were introduced to Kenya by the early British settlers. It has been grown in Kenya on a commercial scale for the last 60 years. The colonialists, however, did not allow the African people to plant tea and other cash crops, such as coffee and pyrethrum, in order to facilitate the continued availability of cheap labour.

Following attainment of independence, the Kenya Tea Development Authority (KTDA) was established in 1964 to promote the growing of tea by small-scale farmers in the former native land units suitable for tea planting, and thereby to give the local people in such areas the opportunity of receiving a much-needed cash income.

Prior to the formation of the KTDA there was a small pilot scheme for tea under the auspices of the now defunct Special Crops Development Authority. Some 8 600 acres of tea had been planted under this scheme by the small-scale farmers, while the Europeans had already planted about 44 400 acres, making a total of 53 000 acres of tea in the whole country.

The story of Kenya's small-scale tea development under the KTDA has been one of unprecedented success. The area under smallholder tea increased from 8 600 acres in 1964 to 118 000 acres in 1978, owned by 122 000 growers. Over these 15 years four tea development programmes were successfully implemented by the KTDA with the support of the government.

The KTDA is currently implementing a fifth plan under which a further 25 000 acres of tea is scheduled to be planted during the period ending 30 June 1982. As at that date, the total KTDA tea area will be 143 000 acres.

In comparison to the big development of the small-scale sector of the tea industry, there has been little development in the plantation sector. The area of tea in this sector increased from 44 400 acres in 1964 to 61 100 acres in 1978.

As at 31 December 1978, there were 179 000 acres of tea (72 000 hectares) in Kenya, comprising 118 000 acres in the KTDA and 61 100 acres in the plantations. KTDA tea now amounts to two-thirds of all the tea planted in the republic.

Most of the tea planted by the smallholders of the KTDA is young and is yet to come into full bearing. Nevertheless, the KTDA now accounts for one-third of the total leaf harvest in the country. During the 1977/78 financial year, the KTDA small-scale African growers harvested some 150 000 000 kilogrammes of green leaf, or more than one-third of the

entire Kenya crop amounting to 418 500 000 kgs of green leaf.

In the 1978/79 year, the KTDA growers are projected to harvest 170 000 000 kilogrammes of green leaf. This rising trend is expected to continue well into the 1980s and 1990s as more young tea becomes mature.

Tea manufacturing factories are expensive to construct and to maintain. It now costs about 16 million shillings to complete a processing plant of a design capacity to manufacture 1.2 million kilogrammes of made tea per annum, while in 1964 a similar factory cost about Shs. 2 million.

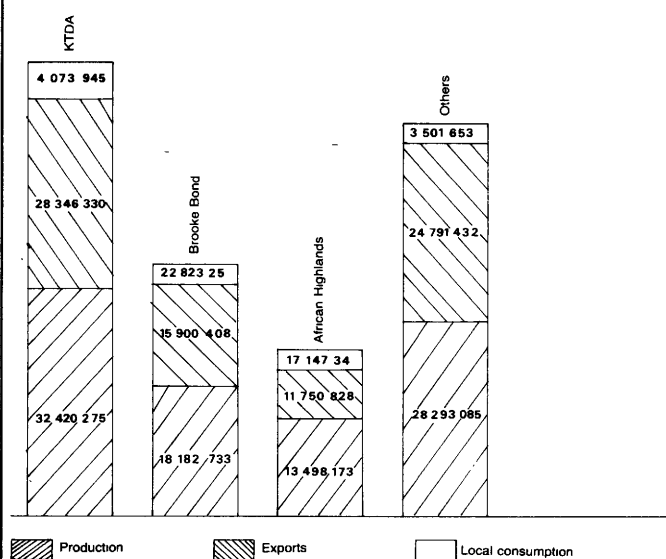
The KTDA has 20 such factories operating now and another nine are under construction. When the whole project is completed, the Authority is scheduled to have 52 such processing plants spread in the country's 11 tea-growing administrative districts, namely: Kisii, Kericho, Nandi, Kakamega, Kitale, Kiambu, Murang'a, Nyeri, Kirinyaga, Embu and Meru.

In the earlier years, KTDA factories were managed by the Tea Estate Companies and the tea processed in those factories was also marketed by them. In 1974, however, it was decided that the KTDA was to manage its own factories and market its own tea. These added responsibilities have subsequently saved the KTDA growers substantial amounts of money.

Since the KTDA started to manage its own factories and to market its own teas in the world market, high quality teas have been made and better prices have been realized in all markets. The growers have received excellent prices, especially during the last two years.

In comparison to estate factories, the KTDA teas have generally been regarded by experts as better and have, therefore, obtained higher prices. All experts in tea the world over are agreed that the KTDA scheme has been and continues to be a tremendous success.

1978 tea production and exports (kgs)



(*) Extract from a report by C.K. Karanja, general manager of the KTDA, published in February 1979.

EDF aid for tea-growing

In view of the developing countries' desire to diversify their economies, Community aid under the first three EDFs concentrated on introducing new industrial crops—oil palms, rubber, tea, cotton, coffee, cocoa, sugar, pyrethrum, etc.

About 285 million EUA, i.e. more than half the funds channelled into agricultural development, went into the development of cash crops over this period.

With its integrated plantation-factory schemes, whereby value is added to agricultural export crops, the Community has helped speed up the agricultural-industrial integration process and ensured the fullest benefits production. And in the fields of products for human consumption, these agro-industrial projects have made it possible to substitute locally-produced goods (sugar, oil seeds, etc.) for imports.



EDF

EDF project in Rwanda: Rwandan tea can compete with the best

Under the 4th EDF, however, this promotion of cash crops slowed up and they received only 235 million EUA (40 % of the agriculture programme), as most of the ACP countries now preferred to see money channelled into integrated food production projects which would help their people achieve self-sufficiency in food.

Tea has, for some countries which can grow it, been an important means of diversifying and reducing their heavy dependence on one crop. Tea projects have often had very positive effects on the economy in general by increasing employment in rural areas and improving the balance of payments situation.

Tea-growing is introduced gradually. Agro-industrial units are set up initially to get the local farmers used to the crop before it is introduced into the traditional family smallholdings.

During the four EDFs, more than 100 million EUA was channelled into this sector:

| Country | 1st EDF | 2nd EDF | 3rd EDF | 4th EDF | Total |
|------------|---------|---------|---------|---------|---------|
| Burundi | 2 666 | 4 457 | 16 840 | 13 859 | 37 822 |
| Cameroon | — | 50 | 158 | 2 840 | 3 048 |
| Madagascar | — | 586 | 4 501 | — | 5 087 |
| Rwanda | 2 534 | 5 216 | 12 982 | 3 500 | 24 232 |
| Sudan | — | — | — | 8 638 | 8 638 |
| Zambia | — | — | — | 3 100 | 3 100 |
| Zaire | — | 4 799 | 5 458 | 3 030 | 13 287 |
| Uganda | — | 4 799 | 5 158 | 5 000 | 5 000 |
| Total | 5 200 | 15 108 | 39 939 | 39 967 | 100 214 |

As the table shows, Rwanda and Burundi have given some priority to tea-growing, largely because of the need to do something about their almost total dependence on coffee by introducing intensive cultivation of a commercial crop that can increase employment in rural areas, and also because it was found that the physical features of these countries were favourable to the cultivation of high quality tea. It has been confirmed that Rwandan tea can compete with the best kinds.

The main ACP tea producers had the following yields in 1972-1979:

('000 t)

| Country | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 |
|------------------|--------|--------|--------|--------|--------|--------|--------|---------|
| Cameroon | 1 373 | 1 422 | 1 664 | 1 794 | 1 977 | 2 000 | 2 000 | 2 000 |
| Zaire | 7 600 | 7 100 | 6 700 | 6 700 | 6 800 | 10 000 | 10 000 | 10 000 |
| Rwanda | 2 396 | 2 803 | 3 432 | 3 995 | 4 976 | 5 516 | 5 341 | 7 000 |
| Burundi | 482 | 656 | 906 | 867 | 1 166 | 1 470 | 1 454 | 2 000 |
| Kenya | 53 322 | 56 578 | 53 440 | 56 730 | 61 984 | 86 291 | 93 370 | 102 000 |
| Uganda | 23 376 | 21 981 | 21 700 | 18 400 | 15 400 | 15 200 | 10 150 | 2 000 |
| Tanzania | 12 706 | 12 658 | 12 874 | 13 732 | 16 701 | 16 660 | 17 000 | 20 000 |
| Malawi | 20 684 | 23 541 | 23 405 | 26 238 | 28 307 | 31 375 | 31 690 | 30 000 |
| Papua New Guinea | 2 195 | 3 033 | 4 155 | 4 714 | 4 984 | 6 300 | 6 400 | 7 000 |

Some EDF-financed tea projects

Zambia

The Kawambwa tea plantation project, set up in 1969 and run by the Rural Development Corporation since 1974, is mainly aimed at producing processed tea to help the country achieve self-sufficiency. The idea behind the EDF aid is to consolidate the 800 acre plantation and step up the capacity of the tea factory so it can handle the anticipated green tea production over the next five years.

Later on, the government intends to extend the plantation, bringing it up to 1 200 acres, and allocate a further 800 acres to small producers. An annual 581 tons of tea should be handled by 1984 and ultimately production should go beyond 1 000 tons.

The total cost of this project over the next five years is estimated at 6.2 million EUA, with an EDF contribution of 3.1 million EUA in the form of a special loan and the balance coming from the Zambian government.

Cameroon

The aim here is to set up a 425 ha selected tea plantation (industrial blocks) and build a tea factory on the Djuttitsa site near the town of Dschang in the western province.

When fully operational, the new agro-industrial unit will contribute slightly more than 1 000 t of dry tea p.a. to the country's total tea production.

Project implementation and management will be in the hands of the Cameroon Development Corporation, a local company already running two tea plantations (at Tolé in the south-west and Ndu in the north-west) which account for the whole of the country's tea output, which is currently as low as 2 000 tons of dry tea p.a.

The projected scheme, which is in line with the drive to diversify the agricultural economy at both regional and national level, will also lead to the creation of a fairly large number of seasonal and permanent jobs in an area which is particularly badly affected by young people moving away to the towns.

The main outlet for Djuttitsa tea will be the domestic market and/or the regional market of the neighbouring countries. Only 10-25% of the anticipated production will find its way to the international market.

The first phase of investments, over the period 1978-1984, will cost an estimated 7 453 300 EUA, to be financed by:

- Cameroon: 502 000 EUA;
- the French CCCE (Caisse Centrale de Coopération Economique): 1 629 000 EUA;
- the Commonwealth Development Corporation (UK): 1 482 000 EUA;
- two contributions from the Community: a grant of 1 420 000 EUA and a special loan of 1 420 000 EUA.

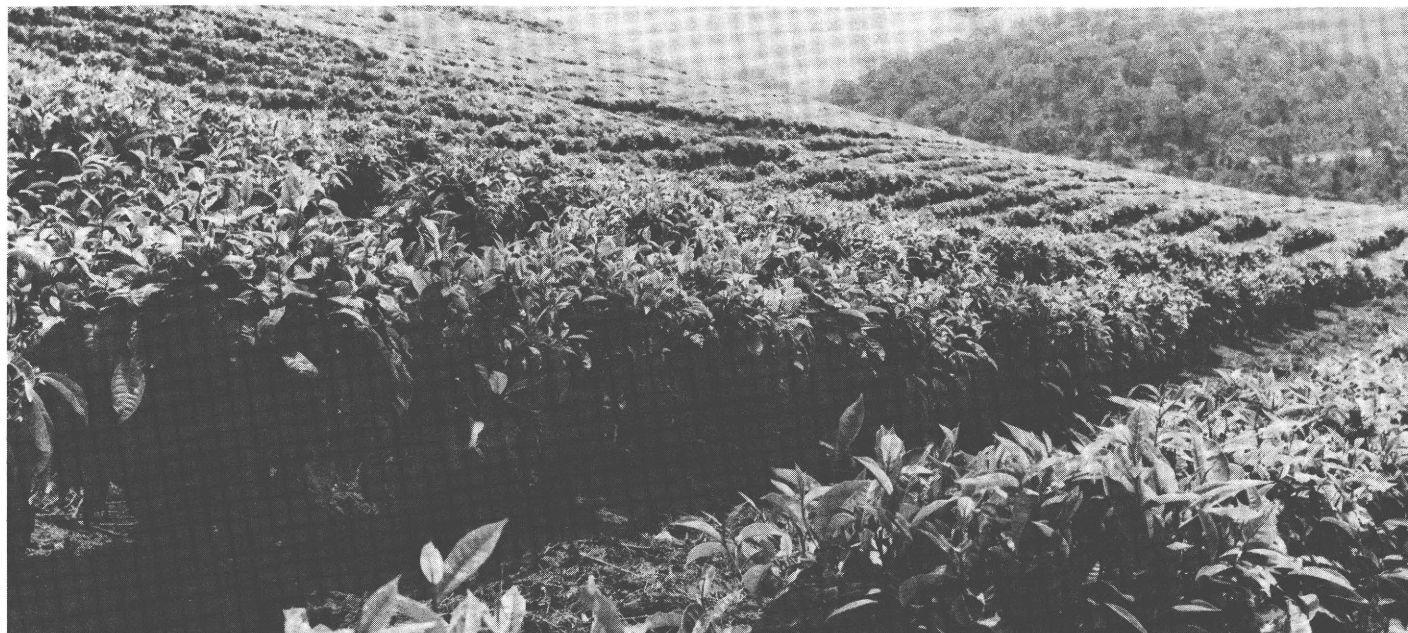
Burundi

This project constitutes phase II of a rationalization plan for the Tora tea agro-industrial complex. Community financing of 4.6 million EUA has already been provided for this enterprise (580 ha of tea plantations plus a tea factory).

The present scheme, which should mean that the Tora complex can balance its books as from 1982/83, involves:

- replanting and extending the plantations;
- providing extra technical and social infrastructure;
- extending and improving the energy and heat production facilities in the existing installations;
- getting a turf moor operative;
- planting 600 ha of trees;
- providing degressive aid for management of the enterprise;
- ensuring further technical assistances.

The estimated cost of all this is FBu 367 720 000. The EDF will be providing FBu 335 500 000 (about 3 812 500 u.a.) and the balance will come from the national budget (FBu 24 720 000) and the value added input of the farmers involved in the scheme (FBu 7 500 000). ○



Tea plantation in Burundi

The Community and the Andean Group

Towards stronger links between the EEC and live Latin American countries

The first contact between the European Community and the Andean Group was in 1971, when Colombian minister Valencia Jaramillo, president of the Andean Commission, visited Brussels. Since then, members of the European Commission and the Junta have met several times, notably when Christopher Soames, then EEC Commission vice-president, visited the Junta in 1975.

On the 10th anniversary of the signing of the Cartagena Agreement in May 1979, the president of the EEC Council and the Commission sent their congratulations to the Andean Group. The presidents of the five Andean countries met in Cartagena to celebrate the Pact's 10th anniversary and they invited the President of Colombia, His Excellency Julio Cesar Turbay Ayala, as spokesman of the Andean Group, to inform the Community of their desire to conclude a cooperation agreement.

In July 1979, President Turbay Ayala went to Brussels and met Commission president Roy Jenkins, after which it was decided to hold exploratory talks on the possible content of a cooperation agreement. These were held in November 1979 when Sebastien Alegrett, president in office of the Commission of the Cartagena Agreement, went to Brussels.

In February 1980, the EEC Commission sent the Council a report suggesting that negotiations be opened with the Andean Group with a view to concluding an agreement — a non-preferential cooperation agreement based on the principle of equality between the partners and taking account of the different levels of development in the two groups of countries. It would be an evolutive agreement, in principle covering all fields of economic cooperation. The contracting parties would have to investigate the practical possibilities of such cooperation together in a joint committee.

The Council authorized the Commission to start negotiating in May 1980.

In April 1980, President Herrera Campins of Venezuela spoke to the European Parliament in his capacity as spokesman for the Andean Group.

In May 1980, the foreign ministers of the five Andean countries attended a meeting with the EEC Council of Ministers in Brussels and this led to a joint declaration being adopted on international political and economic issues (see page 88).

Trade relations

The Andean countries get most-favoured-nation treatment from the Community, in spite of the fact that only Peru and Colombia are currently members of GATT.

They are also covered by the generalized system of preferences (GSP) which the Community set up for members of the Group of 77 underdeveloped countries. However, they are far from making the most of the system and the only Andean country in the first 10 beneficiaries on the list in 1977 was Venezuela, which was in ninth place, with preferential imports worth 128 million EUA, 94% of them petroleum products. Colombia, with preferential imports worth 20.6 million EUA, and Peru, with 17.7 million EUA, were in 16th and 17th positions respectively.

Two Andean countries have joined the Community in voluntary restraint agreements as part of the Multifibre Arrangement for 1978-1982. They are Colombia (cotton yarn and fabric) and Peru (cotton yarn and fabric and sweaters), but neither of them has so far reached the levels agreed on for 1978 and 1979.

Bolivia has applied to negotiate a similar agreement (essentially for cotton yarn).

Development cooperation

In practice, EEC Commission cooperation with the Junta has been uninterrupted since 1971. There has been:

- aid with regional integration: Commission experts have been sent out and training has been provided on customs, legal, statistical matters, etc. for Junta officials;

- annual seminars on the GSP and introduction of a system of cumulative origin for countries in the Andean Group;

- trade promotion as part of the Community trade promotion programme: seminars, displays at trade fairs, etc.;

- financing of projects as part of the Community programme of financial, economic and technical aid for non-associated developing countries (more than 20 million EUA since 1977 for the Andean region, including 8.7 million for Bolivia, 2.9 million for Ecuador, 2 million for Peru and 6.6 million for the Junta's regional projects).

Over the three year period 1977-1979, all the Andean countries except Venezuela received food aid: grain, milk powder and butteroil worth 12 million EUA.

Economic data

The five countries in the group have a combined population of about 70 million (one fifth of the population of Latin America), with a *per capita* income in 1977 of \$1 100, slightly less than the Latin American average of \$1 220.

| | Population 1977 | GNP per capita |
|-----------|--------------------|-------------------|
| Bolivia | 5.9 mil. | US\$ 540 |
| Colombia | 25.1 mil. | 710 |
| Ecuador | 7.6 mil. | 770 |
| Peru | 16.4 mil. | 830 |
| Venezuela | 12.7 mil. | 2 820 |

Compared to the other developing countries, the Andean Group as a whole is in fourth position for trade, after Saudi Arabia, ASEAN and Iran, and in seventh place for GNP, after India, Saudi Arabia, Iran, Brazil, ASEAN and Mexico. In addition to exporting oil,

of which Venezuela is one of the biggest producers in the world, the group is a major supplier of raw materials and its mineral resources (copper, iron, zinc, tin, gold, silver, molybdenum, tungsten and antimony) are considerable.

Trade

The USA is the group's main trading partner; in 1977 the US supplied 36.5% of its imports and took 42% of its exports. The corresponding figures for trade with the EEC were 14% and 23.2%.

The traditional trade deficit between the Community and the Andean Group became a large surplus in 1977 because of the considerable increase in the Community surplus with Venezuela. However, this surplus decreased considerably in 1979, largely due to rising oil bills.

Community imports from the group made up 1.1% of total EEC imports in 1978, as against 1.8% in 1970 and 2.6% in 1966. For comparison, the corresponding figures for all 20 countries of Latin America were 5.4%, 7.4% and 8.9% of EEC imports.

About half the Community imports from the group, are agricultural products, particularly tropical ones, followed by oil and oil derivatives and minerals. Although the Andean countries only provide a small part of the EEC's supplies overall, they do account for a large percentage of its imports of certain industrial raw materials — tin ore and concentrate (45%), copper matte (20%), zinc ore and concentrate (17%), lead ore (14%), tungsten ore and concentrate (8%) and tropical products such as bananas (20%) and coffee (12%).

Main Andean exports to the EEC:

Bolivia: tin ore (54%), tin & alloys (14%), other ores (17%)

Colombia: coffee (77%), bananas (6%), cotton (3%) & cotton yarn (2%)

Ecuador: bananas (37%), cocoa, including broken beans & butter (28%) and coffee (26%)

Peru: refined & unrefined copper (24%), zinc, lead & tungsten ore (21%), fish meal (12%), wool & other fibres (6%), coffee (4%) and cotton (3%)

Venezuela: petroleum products (75%) and iron ore (12%)

The Community share of foreign investments in the Andean countries is relatively modest. In 1979, net private foreign investments from OECD countries was about \$400 million, including \$345 million from the USA and \$36 million from the Community (i.e. 8% of investments in Latin America).

Andean integration

The Andean Group was set up in May 1969 when Bolivia, Chile, Colombia, Ecuador and Peru signed the Cartagena Agreement. Venezuela joined in 1976 and Chile opted out in 1976. In May 1979, the five heads of state met in Cartagena to celebrate the 10th anniversary of the agreement and adopt the Cartagena Mandate outlining the economic and political development of Andean integration, including relations with Canada and the USA.

The Andean Pact has a commission (the supreme body comprising representatives of the member countries), a junta (three members, who formulate draft decisions to be submitted to the commission), a consultative committee (providing a link between the junta and the member countries), an economic and social commit-

tee, a development corporation and a reserve fund, set up in 1976. In 1979, this institutional framework was completed by the addition of a court of justice and by the signing of a treaty setting up an Andean parliament.

Meetings of foreign ministers, in a body called the Andean Council (Spain attends as an observer), were also instituted.

Apart from dismantling tariffs and establishing a common external tariff, Andean integration aims at industrial planning, with programmes for each sector, and the regulation of external investments. The agreement also lays down preferential treatment for the least-developed members (i.e. Ecuador and Bolivia), for which a special programme of measures has been planned. ○

EEC-Andean Group trade (million EUA)

| Year | EEC imports | EEC exports | Balance |
|----------------------------|-------------|--------------|---------|
| 1975 | 1 538 | 2 006 | + 468 |
| 1976 | 1 917 | 2 887 | + 970 |
| 1977 | 1 911 | 3 701 | + 1 790 |
| 1978 | 2 461 | 3 758 | + 1 279 |
| <i>including Bolivia</i> | 106 | 116 | + 10 |
| Colombia | 824 | 436 | - 388 |
| Ecuador | 171 | 333 | + 162 |
| Peru | 261 | 255 | - 6 |
| Venezuela | 577 | 1 862 | + 1 285 |
| 1979 (11 months) | 2 278 | 2 691 | + 413 |
| <i>including Venezuela</i> | 824(+ 58%) | 1 262(- 27%) | + 438 |

EEC-Andean Pact ministerial meeting

The visit of the foreign ministers from the five countries of the Andean Group on Monday 5 May was without precedent in the history of relations between the Community and Latin America. It marked the continuation of a dialogue begun on the initiative of the five heads of state when, in Cartagena in May 1979, they decided to propose to the Community that a cooperation agreement be concluded. Last February, the Commission submitted a report, proposing that negotiations be opened, to the Council, which approved directives to this effect at its session of 6 May.

The programme for the visit of the Andean ministers (from Bolivia, Colombia, Ecuador, Peru and Venezuela) began with a morning visit to the Commission, where vice-president Haferkamp welcomed them and the president of the Commission of the Cartagena Agreement and the coordinator of the Junta. They then took part in a working meeting with vice-president Natali and development commissioner Cheysson. In the afternoon, there was a Community-Andean Pact ministerial meeting. The joint declaration issued on completion of these talks contained a section on politics and a section on economic affairs and

they were presented to journalists at a joint press conference.

The joint declaration covers three main topics:

— The Andean Group and the Community support pluralist democracy. Both groups explicitly recognize the current process of democratization that is going on in the Andean sub-region in ways similar to those that operate in the Community's institutional structure.

— Both groups also agree that Andean integration should be situated in the context of cooperation between all the countries of Latin America and that the dialogue between the Community and the Andean Group is a starting point for collaboration, on structured foundations, between the Community and Latin America as a whole.

— Lastly, the EEC recognizes the Andean Group as a developing region that is in the process of becoming integrated. The common wish is that the agreement now being negotiated will make it possible to extend and enlarge existing cooperation on a better-balanced basis.

The economic chapter of the joint declaration makes it clear that all the participants agree to develop trade and avoid protectionism. ○

Post experience courses in project planning

The activities of the Project Planning Centre for developing countries

by R.L. Kitchen(*)

Last year the Project Planning Centre for developing countries (PPC) in the University of Bradford (U.K.) completed 10 years of service to the Third World. It was established in 1969 to provide training in project planning in developing countries.

The first course took place in 1970, and since then the activities have expanded to include eight 12-week courses per year at Bradford in 1980, as well as numerous overseas training and research activities, a 1-year taught M.Sc. programme and various research programmes in Bradford.

By April, the Centre will have received over 1 200 participants on courses in Bradford, with over 100 different countries represented. PPC is now well established along-

side the Economic Development Institute of the World Bank as a leading training institute in project planning, and certainly the leading institution among signatories of the Lomé Convention.

The Bradford programme

Perhaps the most striking feature of the programme of 12-week courses held in Bradford has been the emphasis which has been placed on sector specialization. From the outset it was appreciated that projects in particular sectors differed from each other very substantially.

The regular programme has been expanded gradually by the addition of new courses, and now consists of the following specialized courses:

| Sector | No of courses completed (at end of 1979) |
|---|--|
| Rural development projects | 10 |
| Industrial projects | 9 |
| Infrastructure projects | 9 |
| Health and education projects(1) (formerly social sector) | 7 |
| Project planning for development finance institutions | 6 |
| Tourism planning | 4 |
| Agro-industrial projects | 2 |

Each course is usually run once each year.

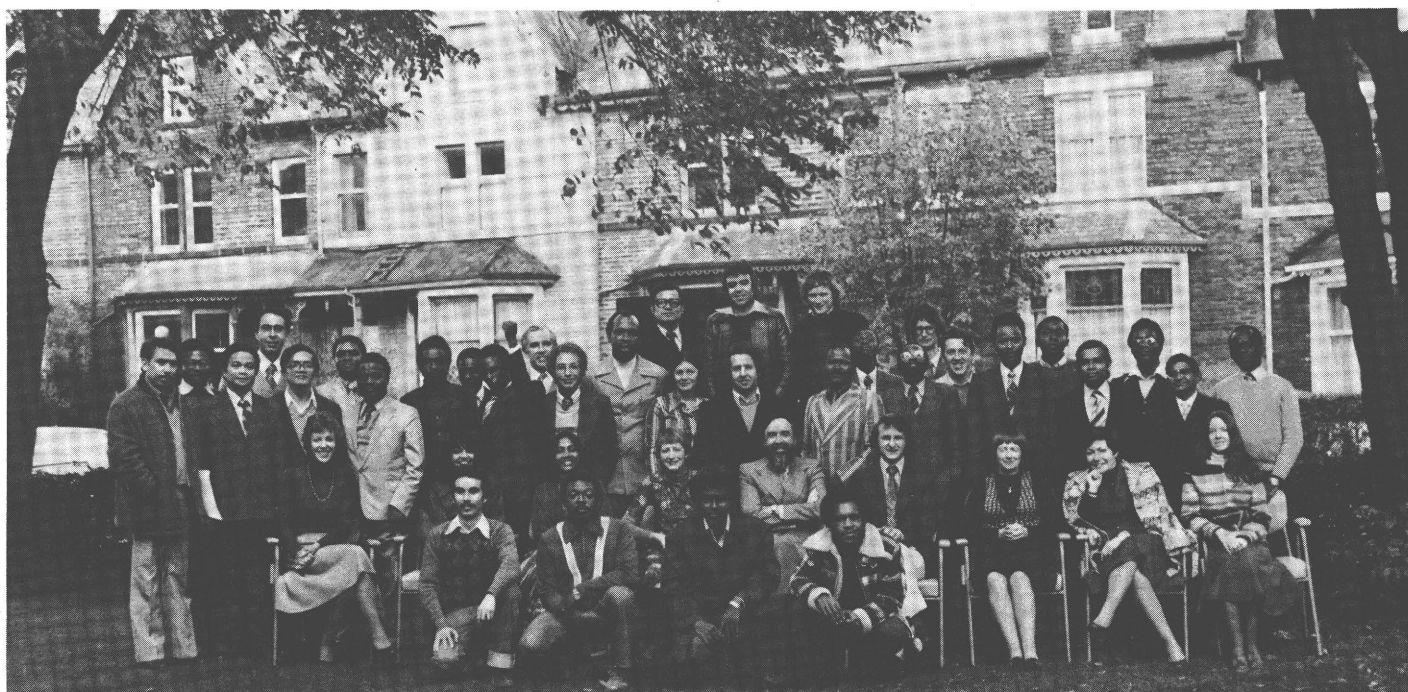
The target number of participants for each course is usually 25, although there is a tendency in some cases for this to be exceeded as demand for places is generally very strong.

The contents and emphasis of different courses obviously vary, but as a generalization the courses are usually divided into separate sections which cover the following ground.

- Basic concepts of project planning;
- Project identification;
- Project design and appraisal;
- Financial analysis and project financing;

(*) Course director, PPC.

(1) From 1981, this course will be divided into separate health projects and education projects courses.



The class of 1978. The EEC sponsored four students from Ghana, Kenya, Jamaica and the Sudan

- Economic and social appraisal of projects;
- Project negotiations and implementation;
- Project management.

The courses have always been designed for mid-career training of planning staff, mainly but not entirely from the public sector. The age range therefore tends to be from the mid-20s to the mid-40s, although there have been several participants both below and above these limits. Certainly one of the most important criteria in selecting people is that they should have a few years relevant working experience. While it is preferable for applicants to have a university degree, this is not always insisted upon.

The courses aim to be multi-disciplinary, as indeed they must be when dealing with such a multi-disciplinary subject as development projects. Therefore the staff and the participants have experience and qualifications in a variety of fields, and applicants are always welcomed from backgrounds such as economics, agriculture, engineering, finance and banking, and a variety of sciences. Experience developed over the years enables the PPC to accommodate such a variety of skills on its courses. The presence of people with different educational and working backgrounds contributes significantly to the learning process.

The PPC is self-financing department of the university, and consequently charges fees to enable it to break even over the years. Fees are currently

£1 100 per course, on a non-residential basis. However, the university is currently constructing the Charles Morris hall of residence exclusively for the use of PPC participants which will come into use during the latter part of 1980. Fees will then be on a residential basis, and will be £1 900 per course.

Most participants are financed by aid agencies or by their own employers. Historically the British government technical cooperation awards were the major source of finance, but as PPC has diversified its activities and become widely known, the contribution of other sources of external finance, including bilateral and multilateral agencies, has steadily increased in importance, and the British government now accounts for well under half of PPC earnings.

Under the Lomé Convention, the EEC is now an expanding source of awards for applicants for PPC courses, and in recent years we have welcomed numerous participants with EEC support from countries such as Jamaica, Papua New Guinea, Ethiopia, Ghana, Sudan, Kenya, Nigeria, Gambia, Lesotho. With the signing of Lomé II, it is likely that EEC will continue to play a steadily increasing role in providing finance for participants on the PPC's post-experience courses.

Other activities of the PPC

In Bradford, the PPC conducts a one year taught M.Sc. in national development and project planning, which is now in its second year. While the M.Sc. generally aims at younger people than the

post-experience courses, some relevant working experience is still seen as desirable. PPC also organizes other *ad hoc* training activities in Bradford. These have included a six-week forestry planning seminar for FAO/SIDA, and a series of industrial projects courses for participants from Turkey, financed by OECD and the Turkish State Investment Bank. There is also a regular training of trainers programme.

However, after the regular post-experience programme, the major thrust of PPC's activities is in overseas work. Training, preparation of teaching materials and research programmes, usually undertaken in collaboration with a local institute, are in progress in Pakistan, Jamaica, Tanzania, the Gambia and Nepal. Further one-off assignments have been undertaken in a large number of other countries, but PPC's preference is to establish a cooperative programme over a number of years, with the local partner eventually taking full responsibility as institutional capability expands.

Currently, the major expansion in PPC's work is in meeting requests for such overseas work, and staff numbers have been expanded to enable such work to be undertaken while still maintaining the Bradford programme.

Further information can be obtained from the director or the author at,
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Village technology

Lightening the woman's burden

by Janny VAN DEN BERG (*)

Goatskin bottles, hand millet grinders powered by bicycle wheels, hand mills, bark ropes, solar ovens, windmills made of gourds, rice driers, melon seed oil—just a few examples of the village technology of rural Africa. "It is amazing how people create all sorts of appropriate technology of their own", says UNICEF worker Marie Touré N'Gom, from Senegal.

She and Philip Langley of ENDA (Environnement d'Afrique) toured 11 African countries studying traditional technology and UNICEF, which found their report a very useful source of information, decided to compile a book on all the inventions.

The outcome is a comprehensive, well-illustrated handbook of appropriate development technology that will be of use to governments, rural training centres, schools, workshops, women's organizations and so on.

"Above all, village technology is important for women and children", Marie said, showing a photo of a locally-made hand grinder for millet. "It makes life that much easier for women who no longer need to spend hours pounding the grain." But life for women in rural Africa is, in spite of all their efforts, particularly hard and sometimes unproductive as well, as a UNICEF-Mali government study of the Ségou region so clearly illustrates. Surveys show that Ségou women spend most of their day working. They get up at 4.30 a.m. to fetch water, often getting only 20-25 litres from wells, rivers or stagnant lakes miles away. They make breakfast and see to the children and then, from 6.0 to 10.0, wash up, pound grain and gather vegetables and leaves. Until 3.0 in the afternoon they are busy preparing food, to take to their husbands in the

fields, and turning the soil. And, if they grow rice, they can spend hours bent double with water up to their knees. Until 6.0 in the evening, they collect wood for the fire and gather fruit and karite nuts to make butter. From 6.0 to 8.0 in the evening they go for more water, grind more millet, sweep the yard and prepare supper and then, until 9.0 at night, they gin and card cotton.

As Marie says, it is high time the woman's burden was lightened. Mechanization has been introduced into rural Africa, but mainly for the benefit of the men. Only men are taught to use tractors and harvesters and this causes serious problems in many regions. Women are losing their traditional role in the fields and so they are losing their money too. Some of them are turning to prostitution and, in certain regions, they are losing their status. They have been replaced by machines and they are no longer productive.

Genuine concern

Many African governments are genuinely concerned about this, Marie said. Upper Volta is currently doing a lot to expand and improve village technology, trying to create jobs in the villages that will keep the youngsters there so they are not attracted away to the towns. Villages now are nearly all women, children and old people and the government is hoping that job creation in rural areas will gradually rectify this situation.

The regional development organizations (ORDs) have an important part to play here in encouraging the people to use the right sort of technology. They coordinate all activities connected with production, trade and credit, supply materials and so on. Each of the ORDs, and there are 11 of them across the country, has a team of experts specializing in agriculture, health, water engineering and nutrition and, in the various areas they cover, people make simple tools, like hammers, vices, wheelbarrows, spare parts for mopeds

and small carts for carrying things. But there is more to it than producing tools. ORD activity embraces all aspects of daily life—energy, transport, storage, nutrition, health, housing and arts and craft.

Energy

World Bank figures show that 85% of the population of Africa live in rural areas and only consume 4% of the continent's energy output. Electricity, oil, gas and charcoal are very expensive and the poor are forced to use the cheapest sources of energy, i.e. wood or dung, if they want a fire, although even this is expensive if the high cost of animal life and the deterioration of the environment (erosion, desertification and deforestation) are borne in mind. It is practically impossible to obtain cheap energy without deteriorating the environment and so it is extremely important to give some consideration to water power, solar energy and biogas experiments.

A great deal of interest is being shown in solar energy experiments in Africa at the present time and the CEAO (Communauté économique d'Afrique de l'Ouest) thinks that the development of solar energy is one of the most important aspects of economic strategy over the next 20 years. It has set up a technical committee on solar energy and organized a conference on this subject in Bamako (Mali) in 1976.

The international conference on technology held in Lomé (Togo) in May 1979 and attended by representatives from 60 countries of Africa, Latin America, Asia and Europe once again stressed the importance of solar energy as the most obvious source of power in the developing countries.

Various African countries have set up solar research centres—there is Oner-sol in Niger and a solar energy laboratory in Mali, the institute of meteorology at the University of Dakar is working on the problem, the inter-state school of rural engineering in Ouagadougou (Upper Volta) has run various experiments and the Chinguetti school in Mauritania is also investigating it.

"Several of the experiments go beyond simple technology and are too sophisticated for everyday use. But I have also seen some very simple things that even a child could cope with. In Upper Volta, for example, there are solar ovens. And what about solar heat-

(*) UNICEF, Abidjan (Ivory Coast).

ing using clay, bamboo and bits of silver wrapping paper? And of course, traditionally, the Africans use the sun to dry their crops, their pepper, onions, tomatoes and so on and for the conservations of food for a long time", said Marie.

Wind power

The wind also makes an important contribution to satisfying the minimum needs of the rural population. There are various kinds of windmills, with sails made of aluminium, wood, gourds or canvas, for grinding flour and pumping water. During the drought in Cape Verde, where some places have had no rain since 1968, windmills are an important part of the water policy. Almost 60% of the little rain there is never gets to the soil because it falls into the Atlantic; 25% evaporates or is absorbed by the soil and only 15% finds its way to the wells.

There is enough underground water for the people, in fact, but they still have to find a way of bringing it to the surface at a reasonable price. One or two wind-power experiments seem to be giving satisfactory results. Cape Verde has enough wind, so, with the help of windmills, a considerable amount of water

can be pumped to the surface. A windmill can bring up 100 000 litres of water a day, enough to irrigate three hectares of rice and nine of maize.

Water

"Getting enough drinking water is one of the biggest problems that rural Africa, where 85% of the continent's population live, has to face", Marie explained. Women and children often have to walk miles to rivers, streams, canals, muddy water holes, wells, ponds and so on, just to get the strict minimum they need for washing, cooking and drinking. You can see them struggling with long ropes and leather bottles and buckets just to get a little drop of water, often making a 10 or 15 km round trip for 20 or 30 litres.

Elementary technology could spare the women several hours of hard labour. Marie has long lists of the new objects people are using—bottles of various materials, ropes made from different fibres, hand pumps, foot pumps, animal-driven pumps, windmills, all sorts of containers, buckets, big earthenware jars to catch rainwater, oil barrels, water barrels and more.

"Simple, practical technology calls for a short period of training, just the time it

takes to teach people how to make and repair pumps and pipes, to tell them about wells and how to keep drinking water and build latrines.

"And better water supplies could also improve the villagers' diet, as, once women have a practical way of getting water, they want to water their kitchen gardens and grow the vegetables they require for food."

Diet

Marie has spent many years as a nutrition specialist for rural Africa and, when she got on to food technology, her eyes lit up. One look at her office and you would guess rightly that she is fascinated by anything to do with food. The walls are covered with colourful posters showing the women she is teaching to prepare cheap, nourishing meals.

The shelves are stacked high with books on nutrition and there is even a little display of cooking utensils. "You don't know how imaginative women can be", she said, showing photos of women drying fish, pounding rice, beating butter, extracting oil from palm nuts, coconuts and groundnuts, making fruit juice, jam and tomato concentrate and preserving manioc, grain and onions.

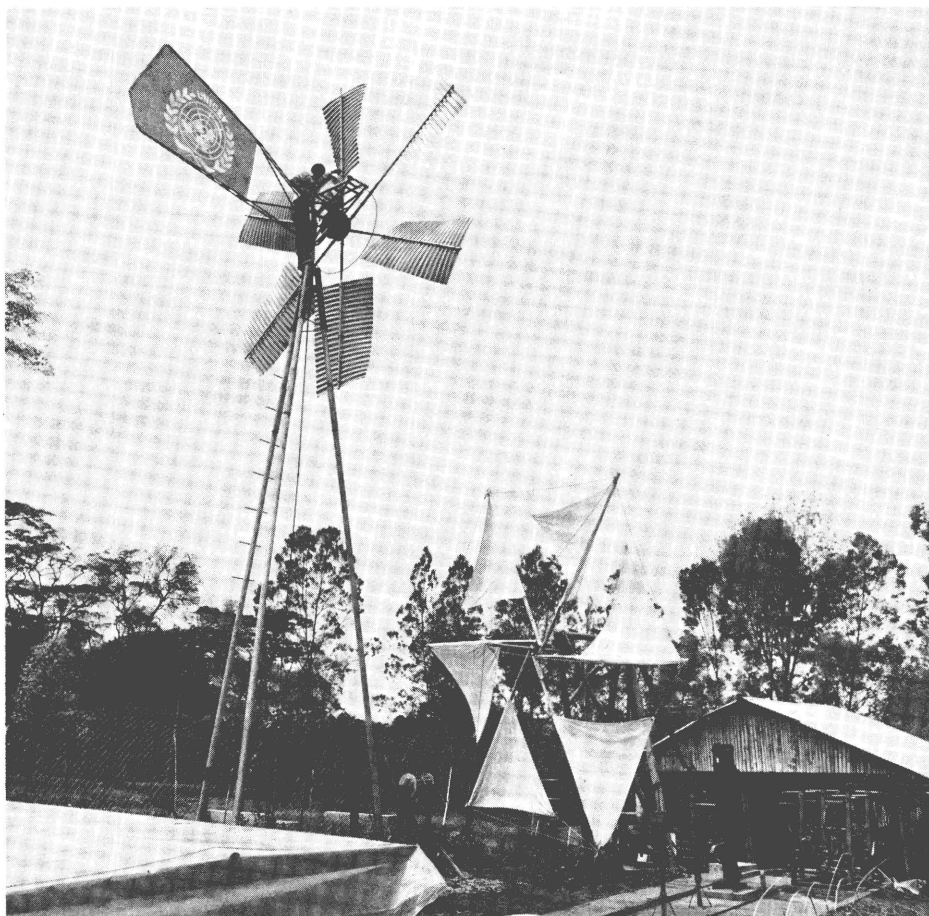
"Getting a meal is certainly a form of technology. I have gradually built up a stock of information on household jobs and many other practical things, like the hand millet grinder I mentioned earlier. But I have seen more home made gadgets—huskers worked by hand or powered by a cycle wheel, manual palm oil presses, earth stoves, solar ovens and lofts and shelters for storing maize."

Bearing in mind that more than one third of the Third World's harvests deteriorate during storage, there is an obvious need to encourage an exchange of information on storage and preservation.

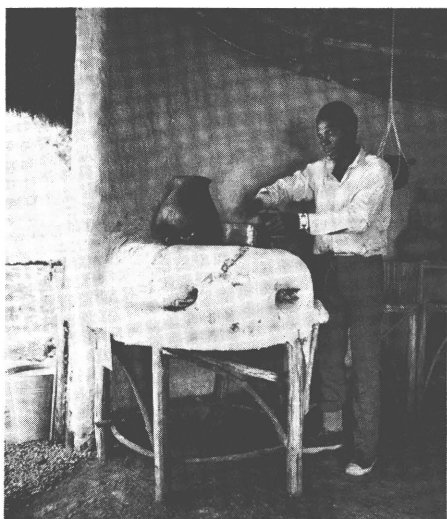
People must be helped to preserve any extra food, like fruit and vegetables, and avoid it being spoiled by keeping it out of reach of insects and rats. A proper system, probably based on traditional methods, would avoid many of the losses that occur after the harvest.

"Of course, it is not always possible to take over the technology of other regions. The countries of the Sahel need different techniques from those used along the coast.

"Our study takes local circumstances into account.



Simple windmills provide the power to drive the pumps



A smokeless mud stove

"We have divided the regions into three categories—coastal and mountainous regions and desert and steppe. Take the dry regions, for example.

"Here women can conserve onions, tomatoes and other vegetables if they dry them in the sun. On the coast, where it is relatively damp, it does not work and the food goes mouldy", Marie explained.

Craftwork

"Ecology is also important. People in livestock rearing areas can hide and, if they keep sheep or camels, you see the women carding wool. Where they grow sisal, the women weave mats and wood, of course, is vital for carved masks.

"There is increasing interest in African crafts, particularly in the industrialized countries. I think there is a potential market for craft objects, leather, weaving, batik, masks and wood carving and so on, and thought should be given to exporting goods of this kind. But the idea has only just recently started to spread."

The possibilities of village technology are endless. The positive attitudes many African governments have adopted to village technology is encouraging—although many countries neglect it altogether, preferring to introduce Western technology and looking upon village technology as a brake that will do no more than widen the gap between developed and developing countries.

Yet the two are not incompatible. They can be combined to forge an intermediate kind of technology that is appropriate, practical and no doubt cheaper. ○ J.V.d.B.

How to export to the Community

The case of the Malagasy carpets

by Karl Koch(*)

The ACP countries still have serious problems with their exports to the Community in spite of all that has been done to promote trade and open the EEC market under the Yaoundé and Lomé Conventions. The big difficulty is not just what are often called non-tariff barriers. It is also, and above all, the fact that ACP goods do not meet the quantitative or qualitative demands of the market.

Karl Koch sent *The Courier* his detailed study of Malagasy rugs and carpets which could be well received on the European market if the makers could only meet export demands. The section on production, export and market studies follows.

There has been no improvement in Madagascar's carpet sales for several years. There are sales offices in Antananarivo, Ampinihy and Tulear and they have a stock of about 300 carpets. To improve the situation, the International Labour Organization (ILO) and the local authorities have decided to look into the possibilities of exporting mohair carpets.

Production

Structure and organization. The Ampinihy Mohair Cooperative was founded about 20 years ago to produce knotted mohair carpets. It provides employment for some 320 women weavers and there are jobs for carders, spinners and dyers too.

Most of the 1 300 or so women on the cooperative's books work at home, some distance from Ampinihy. They are helped by their children. Their materials are supplied by the cooperative or goat breeders and their work is geared to the production of rugs and carpets of 20 000 or 40 000 knots per m². The cooperative buys what they and non-members produce.

Capacity. Of the 1 011 carpets produced in 1977, cooperative workshops accounted for 100-150. The rest were made by outside workers.

If all the cooperatives 108 looms were used and a three-member team of weavers worked on shift at each,

roughly one carpet (bearing in mind the different sizes and number of knots) should be produced every 11 weeks. This would mean 4.8 carpets per loom, giving an annual output of $4.8 \times 108 = 518$.

The annual production capacity of outside workers being 1 800 carpets, the total annual production capacity of the cooperative should be around 2 318 (518 + 1 800).

Production forecasts — mohair rugs for export — 1979

| No knots per m ² | Quantity by sizes | | Annual production (b) |
|-----------------------------|-------------------|---------|-----------------------|
| | a, b, c(a) | d, e(a) | |
| 40 000 | 250 | 150 | 400 |
| 60 000 | 100 | 50 | 150 |
| 80 000 | 30 | 20 | 50 |
| Total | 380 | 220 | 600 |

(a) a = 80 × 140 cm (bedside rug); b = 150 × 200 cm; c = 175 × 250 cm; d = 200 × 300 cm; e = 300 × 400 cm.

(b) Exportable production per month is around 50 carpets and air mail delivery takes five months.

Until 1974, the cooperative only produced carpets of 20 000 knots per m², but since then it has also been making 40 000 and 60 000 per m².

(*) German consultant on promotion, export and investments in the ACP countries and associate professor at the institute of product development in Antwerp (Belgium).

The statistics show that the production of carpets with 40 000 knots per m² is expanding regularly and that fewer 20 000s are being made. The volumes of 60 000s are insignificant. None have so far been produced with 80 000 or 100 000 knots.

The most popular sizes in Madagascar are 0.80 × 1.40 m (bedside rugs), 1.50 × 2 m, 1.75 × 2.50 m and 2.00 × 3.00 m. The cooperative has some 30 designs that can be used for all types of carpet.

Stock. No exact figures are available because of thefts, losses and the poor cooperative records.

Details of the carpets

Purchase of mohair. The cooperative buys mohair from the breeders at FMg 450(1) per kg (top quality), FMg 410-425 per kg (second quality) and FMg 400 per kg (third quality). The top quality fetches as much as FMg 1 000 per kg on the parallel market and washed, spun mohair which can be sold at FMg 1 000 per kg fetches FMg 1 250. Buying is as follows:

- top quality (10-15 cm length, maximum of 0.8-1.0 kg per goat) from March to May, and
- second and third quality (7-11 cm) from September to October.

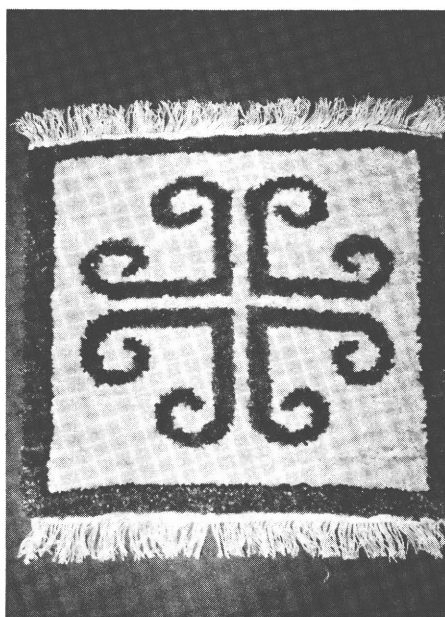
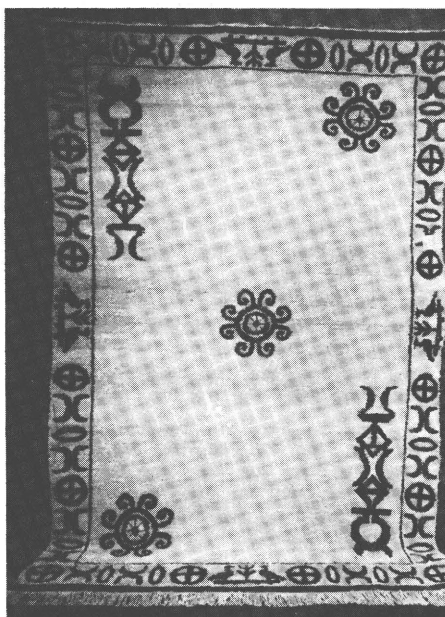
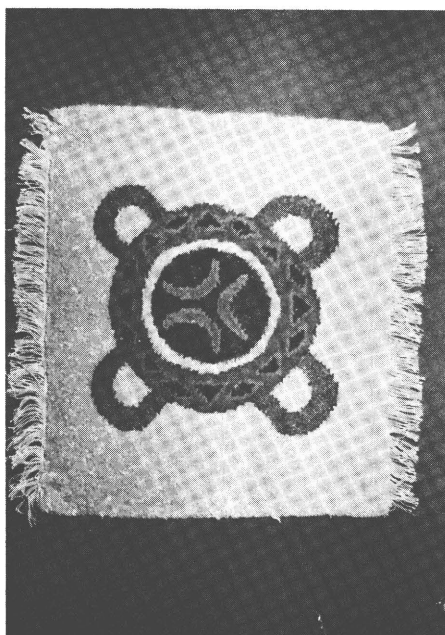
Techniques. Two techniques are used for mohair rugs and carpets:

- the traditional method, using 14-15 threads per 10 cm of both warp and weft (196-225 knots per dm²)—one thread between each row of knots—fairly long (4-7 cm) tufts—weight 5-6 kg per m²—plain rugs preferred;
- the modern method, also using 14-15 threads per 10 cm—two weft yarns between each row of knots thus reducing the knots per dm². The figure varies from 160 per dm² to 200. The hairs of the knots are shorter (3-4 cm) and the decorative tufts bolder. The weight per m² is 3-4 kg and patterns are preferred with the modern method.

Quality. Rugs and carpets with 20 000 knots to the m² have both warp and weft in wool (surface 100% mohair). However, they are not recommended for export as they do not wear well enough and they tend to moult, one of the reasons being that wool warps are not very strong.

Rugs with 40 000, 60 000, 80 000 and 100 000 knots per m² are made with cotton (the locally made Cotona No 15/3) warps and the same type of yarn is used for the crosswise threads between each row of mohair knots.

(1) 100 FMg = US \$ 0.45.



Typical carpet designs

The warp (per 10 cm) is as follows:

| No knots per m ² | No cotton threads | No knots of mohair yarn per dm ² |
|-----------------------------|-------------------------------------|---|
| 40 000 | 20 threads of triple-strand 15/3 | 400 |
| 60 000 | 24-25 threads of double-strand 15/3 | 576-625 |
| 80 000 | 20 threads of double-strand 15/3 | 784 |
| 100 000 | 32 threads of single-strand 15/3 | 1 024 |

Two weft yarns are woven between each row of knots:

- two threads of triple-stranded 15/3 (40 000 knots per m²);
- two threads of double-stranded 15/3 (60 000 and 80 000);
- two threads of single-stranded 15/3 (100 000).

However, the cooperative is not producing any rugs with 80 000 or 100 000 knots per m² at present.

Quality control. The following are checked:

- knots per m² (texture);
- traditional or modern method;
- size;
- plain carpets with or without border;
- design;
- model for the design;
- conformity to model and placing on the carpet;
- thickness.

Classification. Each carpet is delivered with a certificate of origin describing the quality:

- standard (20 000 knots per m²);
- superior (40 000);
- extra (60 000);
- special (100 000).

Rectification. Quality control cannot be carried out during the production of rugs and carpets by outside workers. The following defects are common:

- non-standard sizes;
- irregular borders, particularly on patterned carpets;
- off-centre designs;
- inadequate brushing (moulting);
- poor quality (aniline) dyes which fade altogether from the lighter parts;
- hand carding;
- irregular spinning, giving yarn of uneven thickness.

The cutting, however, is good.

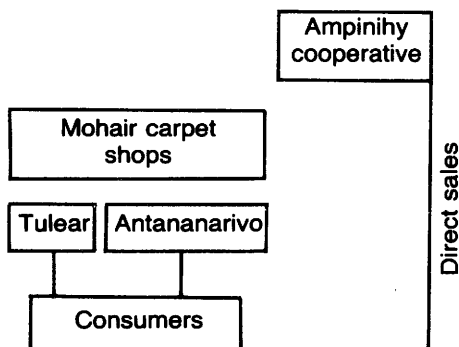
Photographs of a selection of mohair rugs and carpets. The cooperative has no catalogue setting out the sizes and designs of the carpets, the terms of payments or any other details, so the consultant selected a number of rugs and carpets (from the shops in Antananarivo, Tuléar and Ampihy) and used them in my study of the various target markets.

Types of rugs and carpets for export. There are five categories:

- plain with neither design nor border;
- flat designs with no border;
- raised designs with no border;
- flat designs with a border;
- raised designs with a border.

Marketing

Local system of distribution



Sales on the local market. The estimated figures for 1977 are:

- Antananarivo FMg 26 050 000
- Ampinihy FMg 2 475 000
- Tulear FMg 2 045 000

Total FMg 30 570 000

The cooperative does not have exact figures for the sales of each type of carpet (different textures) nor for the volumes, but DATIC, the cooperative's control body, has issued the following estimates:

1970: 26 754 769; 1971: 14 789 497;
1972: 14 681 432; 1973: 14 010 458;
1974: 27 018 063; 1975: 33 000 000;
1976: 31 000 000.

Not only is there a lack of detailed figures on domestic sales, there is also a shortage of information on what the consumer wants, the popular textures, designs, colours and so on.

Details obtained from the Antananarivo, Tulear and Ampinihy shops suggest that the main buyers are tourists from Europe and Réunion and foreign residents (diplomats and businessmen) in Antananarivo. Very few local people buy the carpets.

Calculation of the price for the domestic market. Any exact calculation of the costs of each type of carpet (none has so far been made) should take the following factors into account:

- quality of the raw materials (mohair, cotton and wool);
- direct wages;
- overheads;
- gross profit margin;
- transport.

The prices asked on the domestic market have not been professionally worked out and they cannot therefore

Export prices for mohair rugs and carpets (1979) (3 × 2 m = 6 m²)

| | 40 000 knots/m ² | 60 000 knots/m ² | 80 000 knots/m ² |
|--|--------------------------------|--------------------------------|--------------------------------|
| Raw materials | 32 400(a) | 45 000(a) | 57 000(a) |
| Labour | 22 000(b) | 28 000(c) | 42 000(d) |
| Cost of manufacture | 54 400 | 74 600 | 99 000 |
| Overheads (10% of cost of manufacture) | 5 440 | 7 460 | 9 900 |
| Cost price | 59 840 | 82 060 | 108 900 |
| Gross profit margin (15% of cost price) | 7 780 | 12 310 | 18 513 |
| Sales price Ampinihy | 67 620 | 94 370 | 127 413 |
| Packing and transport Ampinihy-Tulear | 2 700 | 3 775 | |
| Total | 70 320 | 98 145 | |
| Price f.o.b. Tulear (US\$/m ²) | | | |
| Type 1 | 50 | 68 | 90 |
| Type 2 | 54 | 72 | 94 |
| Type 3 | 56 | 74 | 96 |
| Type 4 | 60 | 80 | 103 |
| Type 5 | 64 | 83 | 103 |

(a) 32 400 = 26 400 per 24 kg spun mohair at FMg 1 100 per kg + 6 000 per 5 kg 15/3 twisted cotton yarn.

45 000 = 37 400 per 34 kg spun mohair at FMg 1 100 per kg + 8 400 per 7 kg of 15/3 twisted cotton yarn.

57 000 = 46 200 per 42 kg spun mohair at FMg 1 100 per kg + 10 800 per 9 kg of 15/3 twisted cotton yarn.

(b) An average of 100 days at FMg 220 per day (= US\$ 1.00).

(c) An average of 120 days at FMg 240 per day (= US\$ 1.10).

(d) An average of 150 days at FMg 280 per day (US\$ 1.27).

be taken as a basis for the calculation of prices for the international market.

Calculation of the price for the international market. With the idea of getting export prices stable in 1979, Mr J. Barroux and I made the following suggestions, taking into account the true costs (based on an increase in raw materials and in weavers' wages):

Packing. Carpets are double-wrapped—first in plastic and then in jute linen. Brown paper could well be used instead of plastic and polypropylene instead of jute (it is lighter as well as waterproof) to wrap carpets for export. In any case, any local packaging materials should be preferred.

Transport: towards preferential tariffs?

By air. The consultant approached the people in charge of freight at Air Madagascar and Air France in Antananarivo and they seem to be interested in a proposal to apply the preferential tariff (for local craft objects) to mohair rugs and carpets. At a meeting with the principal ILO adviser and the ICC consultant, the Malagasy

authorities talked of the possibility of getting even more favourable rates once Air Madagascar gets its Boeing 747s.

The two airlines were asked to work out the cost of sending the carpets to Europe and to convey the figures to the principal ILO adviser.

By sea. When the first carpets are exported to Europe, it would be better to send them by air because of possible delay and theft during sea transport. However, serious consideration should be given to the latter method when larger quantities are being sent.

Delays in delivery. Transport problems have considerably held up the cooperative's deliveries. Carpets have sometimes been in stock for more than three years without being sold.

Recommendations

Availability of raw materials. The key question, as far as stepping up the production and export of mohair rugs is concerned, is the availability of enough good quality raw materials.

Angora goats are fairly difficult to rear and it is important for the breeders to see prices go up. The purchase price of merino wool is high compared to mohair, although the latter is actually worth more; so breeders are not particularly keen to specialize in mohair. The only thing likely to change their minds is a substantial increase in the price they get for their mohair. The following prices are recommended with a view to reducing the importance of the parallel market:

| Quality | Price paid to the breeder (FMg) | Rebate (FMg) | Total price (FMg) |
|---------|---------------------------------|--------------|-------------------|
| 1st | 520 | 30 | 550 |
| 2nd | 450 | 25 | 475 |
| 3rd | 425 | 25 | 450 |

Data gathered locally suggests that there are problems with cotton deliveries. If national production is inadequate, the cooperative has to turn to other sources of supply, taking care to ensure that there are no tax or customs barriers involved.

Ideally, export production should concentrate on carpets with 40 000, 60 000 and 80 000 knots per m², as the added value in this case is greater than with lesser qualities. And of course the high price of the raw materials means that there is no such thing as a cheap mohair carpet. If the cooperative is to push up productivity, it ought to keep to a range of no more than five different sizes.

Chemical dyes should no longer be used. Mohair carpets with local designs would be all the more popular abroad if all the dyes used were made from natural products found in Madagascar itself.

Quality control should cover washing, carding and spinning (for which the Commissioned technical expert has recommended the use of spinning wheels).

There is no problem with finishing, although moth-proofing vats should be installed and carpets for export should be fire-proofed. There are no difficulties with the traditional methods of packing.

Market studies

The aim of this analysis of the various European markets is to:

- inform the Malagasy authorities of the carpet situation in Europe so as to give Madagascar the opportunity to penetrate selected markets.

- inform the chambers of commerce, associations and specialized traders on the various markets visited and get them interested in distributing Malagasy-made carpets in Europe.

The study mainly consisted of a detailed analysis of the German market, which is the biggest market in the world as far as hand-knotted oriental carpets are concerned. It is therefore the most competitive and the most complex market, and one which offers many possibilities for the marketing of carpets of all kinds.

The data were obtained from interviews with traders, importers and distributors and from articles in the official publications of national and international institutions and importers' and carpet sellers' associations. Publications by printing houses specializing in works on carpets were also used.

The interviews took place in the following cities:



Making carpets can be both profitable and satisfying

Netherlands — Vlaardingen, Rotterdam, Amsterdam, The Hague and Breda.

Belgium — Brussels and Antwerp.

France — Paris.

Germany — Stuttgart, Ludwigsburg, Munich, Frankfurt, Berlin, Hamburg, Dusseldorf, Cologne, Aix-la-Chapelle and Bonn.

Switzerland — Zurich and St Gallen.

The German market

Germany imports roughly 900 million D marks' worth of hand-knotted carpets every year. The figure for the USA is only 600 million.

Morocco and India are the two major suppliers, but while Moroccan carpets have been at the same price for some time, India has put its prices up by 25% in recent years. The average price per m² of carpets with more than 350 knots has risen by 7% to DM 100. The average increase for qualities below this is 10.2%, giving a price of DM 286 per m². The best Persian carpets can fetch as much as DM 473 per m².

Imports of quality carpets with more than 350 knots are worth DM 269 million annually and for the ones of lesser quality around DM 609 million. The average price of silk carpets has risen by 20% to DM 336 per m². There has been a 23.2% increase in the price of Chinese carpets (DM 416 per m²) and about a 50% increase in Turkish ones (DM 3 911 per m²).



Angora goats provide the cooperative with one of its raw materials—fine mohair

Structure of distribution. Almost all the German distributors import some of their carpets direct, but high storage costs force them to get additional supplies from importers and wholesalers.

Market trends. The German carpet traders' association is optimistic about the way the market is developing. However, trends should be considerably influenced by the following:

(a) The increases at production units in Iran have made top quality carpets a rarity and they are now extremely expensive for the average buyer.

(b) Non-oriental carpets are increasingly acceptable to the consumer, who considers them to be valid investments.

(c) Since there is something of a craze for plain carpeting, the consumer is now making secondary investments and buying odd rugs that will provide visual impact and create a special atmosphere in the home.

(d) Consumer tastes in furnishings have changed and oriental and Berber wool rugs are back in fashion.

(e) Berber rugs from Morocco, still the favourites in the "rustic" category (to the detriment of carpets from other countries of North Africa), account for 24% of the volume of imports into Germany, with an average sales price of DM 131.59 per m².

(f) Machine-made copies of Persian carpets are not seen as suitable replacements for hand-knotted ones and shops display them differently from the genuine oriental article.

Carpet sales vary from region to region.



An adult male Angora provides up to 1 kg of first quality wool

ion. Sales in southern Germany (Baden-Wurtemberg and Bavaria) are larger than in the north and more carpet shops have opened up in small and medium-sized (less than 100 000 inhabitants) towns than in the big ones.

The most important factor is price, followed by:

- manufacture;
- thickness;
- weight per m²;
- quality of work (finishing);
- durability;
- ease of cleaning.

Although the number of knots per m²

used to be the deciding factor in the choice of a quality carpet, potential buyers now also take the originality of the design and the look of the finished article into account.

Sales in Germany in 1977 showed increased demand for beige and sable carpets (32-45%), with olive green in second place, although marginally less popular than before, accounting for 23% instead of 26% of the market. Sales of brown carpets dropped from 25% to 16% and those of red, pink and orange ones increased slightly (by 8% or 9%). Gold and yellow carpets, accounting for 4% of sales, were back at the 1975 level with 3%, and there was practically no demand at all for blue or turquoise.

According to the statistics (2), buyers complain about:

- poor tufting;
- flattening of the pile;
- problems of keeping clean;
- poor quality colours;
- bad dyes.

It is individual taste and the feeling of making an investment that persuade the consumer to make a purchase. Anyone buying his first carpet attaches a certain amount of importance to the number of knots per m², which can sometimes lead him to pay a higher price for a poorer quality carpet with a larger number of knots.

The buyer also thinks that the following factors are important indications as to the quality of oriental carpets: type and style; labour; materials; colours; design; age, if the carpet is not new. ○ K.K.

(2) Source: Textil Heimkultur, Sept. 1977.

Hand-knotted carpets — import figures for 1977

| Country of origin | Quality (m ²) | Difference 1976-1977 | Value DM '000 | Difference 1976-1977 |
|-------------------|---------------------------|----------------------|---------------|----------------------|
| India | 1 290 973 | + 11 | 111 646 | + 40 |
| Morocco | 1 265 088 | + 12 | 97 047 | + 16 |
| Iran | 975 897 | - 11 | 441 658 | + 5 |
| Pakistan | 570 043 | - 6 | 103 718 | + 12 |
| Afghanistan | 147 231 | + 25 | 30 231 | + 43 |
| China | 144 032 | + 30 | 26 562 | + 13 |
| USSR | 108 340 | — | 35 357 | - 1 |
| Turkey | 77 753 | + 6 | 33 865 | - 5 |
| Total | 4 579 357 | | 880 084 | |

Source — Textil-Mitteilungen, 5 April 1978.

CARIBBEAN

Upgrading food production

The cost of food imports into the Caribbean region more than tripled in the 1970s. A US \$ 2 million (1) EDF project is now under way to help improve farming in a number of Caribbean Community countries, through units of the Caribbean Agricultural Research and Development Institute (CARDI).

The project, signed in July 1978, is part of the programme of technical cooperation between the EEC and the Caricom region. The funds are to provide field facilities to improve CARDI's applied research and development capability and bring farmers the technology necessary for upgrading present levels of food production. Equipment is now arriving and plans for buildings are well advanced.

(1) The project covers over TT \$ 3 million worth of agricultural equipment and about TT \$ 1.3 million worth of infrastructure

New field facilities will be established in Grenada and Antigua, while complementary infrastructure and equipment will be provided for CARDI stations stretching from Belize to Guyana. The financing provides for farm equipment, buildings and transport, with land being supplied by the respective territorial governments. Nine countries are directly concerned.

EEC Commission delegate Gerald Watterson handed over a first instalment of the equipment—a tractor and an estate car (see photo)—to CARDI executive director Joseph Bergasse in Trinidad in April.

At the hand-over ceremony, Mr Watterson described this regional project as "especially valid" in view of the UN World Food Council's call last year for food strategies in the developing countries. "Such a food strategy approach is designed as an action-oriented initiative to increase food production, improve distribution and accelerate investment.

And to be meaningful, to avoid wasteful duplication, and to promote intra-regional trade and interdependent harmony, national priorities for meeting local food needs must be brought together within a coherent Caribbean-wide framework of related production efforts, distribution systems and effective infrastructure", he said.

"The importance of agriculture to the region is beyond question. Owing to the relatively limited quantities and uneven distribution of natural resources, the territories which comprise the Caribbean Community are dependent in large measure on agriculture for their survival and development. Emphasis has, traditionally, been given to a few export crops—and the agricultural sector has been unable to satisfy the food requirements of the peoples of the region. The overall cost of food imports into the region is enormous".

Mr Watterson also looked beyond the project's immediate relevance to food production to describe industrialization as a commonly-held criterion of development. "If that is so, then in most if not all the Caribbean Community, agri-business is the logical basis for the industrialization process", he said.

○ B.T.



EEC Commission delegate Gerald Watterson and CARDI executive director Joseph Bergasse with the vehicles delivered as a first part of the EDF contribution to CARDI

EDF PROJECTS

Fourth European Development Fund

Table II

Commitments as of 29 February 1980

ACP

(in 000 UCE)

| Sector | Grants | Special Loans | Contribution risk capital | Total | % | % |
|---|------------------|----------------|---------------------------|------------------|--------------|--------------|
| I. Development of production | | | | 852 869 | 50.4 | 37.7 |
| 1. <i>Industrialization</i> | | | | | | |
| General | 23 028 | 2 365 | 4 107 | 29 500 | | |
| Mining | 8 233 | — | 3 000 | 11 233 | | |
| Metallurgy | 721 | — | 1 150 | 1 911 | | |
| Chemicals | 1 126 | 2 950 | 1 582 | 5 658 | | |
| Manufacturing | 17 582 | 57 000 | 19 914 | 94 496 | | |
| Food and agriculture | 5 311 | 127 | 4 812 | 10 250 | | |
| Energy projects | 73 385 | 43 820 | 1 000 | 118 205 | | |
| Infrastructure integrated into industrial projects | 2 378 | — | — | 2 378 | | |
| Craft | 1 364 | — | — | 1 364 | | |
| Industry-biased integrated projects | 7 174 | 14 763 | 24 065 | 46 002 | | |
| 2. Tourism | 2 085 | — | 3 250 | 5 335 | | |
| 3. <i>Rural production</i> | | | | | | |
| General | 40 664 | 12 090 | — | 52 754 | | |
| Plantations | 81 614 | 35 914 | — | 127 528 | | |
| Hydro-agricultural improvements | 52 425 | 13 318 | — | 65 743 | | |
| Agriculture | 142 536 | 13 713 | — | 156 259 | | |
| Stock-breeding | 40 323 | 3 325 | — | 43 648 | | |
| Fisheries | 11 799 | 2 065 | — | 13 864 | | |
| Forests | 4 277 | 6 020 | 3 200 | 13 497 | | |
| Miscellaneous | 16 025 | 350 | — | 16 376 | | |
| Agriculture-biased integrated projects | 36 868 | — | — | 36 868 | | |
| II. Economic infrastructure | | | | 475 439 | 28.1 | 21.0 |
| 4. <i>Transport & communication</i> | | | | | | |
| General | 540 | — | — | 540 | | |
| Roads and bridges | 330 933 | 58 525 | — | 389 458 | | |
| Railways | 12 079 | 32 846 | — | 44 925 | | |
| Ports and waterways | 14 236 | 6 451 | 80 | 20 767 | | |
| Airports | 1 678 | 750 | — | 2 428 | | |
| Telecommunications | 12 669 | 4 300 | — | 16 969 | | |
| Meteorology | 352 | — | — | 352 | | |
| III. Social development | | | | 332 781 | 19.6 | 14.7 |
| 5. <i>Education and training</i> | | | | | | |
| General | 6 039 | — | — | 6 039 | | |
| Education infrastructure | 97 779 | 648 | — | 98 427 | | |
| Specific projects vocational training and secondment of instructors | 10 027 | — | — | 10 027 | | |
| Grants | 88 869 | — | — | 88 869 | | |
| Courses | 300 | — | — | 300 | | |
| 6. <i>Health</i> | | | | | | |
| General | 850 | — | — | 850 | | |
| Infrastructure | 44 369 | — | — | 44 369 | | |
| Health campaigns and technical cooperation | — | — | — | — | | |
| 7. <i>Water engineering, housing, etc.</i> | | | | | | |
| General | 5 234 | 4 850 | — | 10 084 | | |
| Village water supplies | 23 007 | 9 400 | — | 32 407 | | |
| Town water supplies | 12 404 | 2 620 | — | 15 024 | | |
| Urban drainage | 8 350 | 3 750 | — | 12 100 | | |
| Town planning | 10 985 | 3 300 | — | 14 285 | | |
| IV. Trade promotion | | | | 32 176 | 1.9 | 1.4 |
| 8. <i>Trade promotion</i> | | | | | | |
| General | 12 498 | 1 700 | — | 14 198 | | |
| Trade structures | 1 868 | — | — | 1 868 | | |
| Fairs and exhibitions | 14 950 | — | — | 14 950 | | |
| Trade information | 50 | — | — | 50 | | |
| Marketing | 1 110 | — | — | 1 110 | | |
| Total I, II, III and IV | 1 290 095 | 336 970 | 66 200 | 1 693 265 | 100.0 | 74.8 |
| V. Exceptional aid | | | | 113 922 | | 5.1 |
| 9. Disasters | 113 922 | — | — | 113 922 | | |
| VI. Stabex | 321 201 | — | — | 321 201 | | 14.2 |
| VII. Miscellaneous | | | | 133 746 | | 5.9 |
| 0. <i>Miscellaneous</i> | | | | | | |
| Information and documentation | 2 293 | — | — | 2 293 | | |
| Conferences | 1 350 | — | — | 1 350 | | |
| Programmes and general technical cooperation | 8 118 | — | — | 8 118 | | |
| General studies | 1 505 | — | — | 1 505 | | |
| Supervision | 101 980 | — | — | 101 980 | | |
| Administrative and financial costs | 18 500 | — | — | 18 500 | | |
| Multisector programmes | — | — | — | — | | |
| Total I, II, III, IV, V, VI and VII | 1 858 964 | 336 970 | 66 200 | 2 262 134 | | 100.0 |

Table III
Commitments on 29 February 1980
OCT & OD

| Sector | Grants | Special loans | Contribution to risk capital | % | % | |
|--|---------------|---------------|------------------------------|---------------|--------------|--------------|
| I. Development of production | | | | 8 566 | 32.2 | 28.3 |
| 1. <i>Industrialization</i> | | | | | | |
| General | 35 | — | 1 000 | 1 035 | | |
| Mining | — | — | — | — | | |
| Metallurgy | — | — | — | — | | |
| Chemicals | — | — | — | — | | |
| Manufacturing | 150 | — | — | 150 | | |
| Food and agriculture | — | — | — | — | | |
| Energy projects | 160 | — | — | 160 | | |
| Infrastructure integrated into industrial projects | — | — | — | — | | |
| Craft | — | — | — | — | | |
| Industry-biased integrated projects | — | — | — | — | | |
| 2. <i>Tourism</i> | 800 | — | — | 800 | | |
| 3. <i>Rural production</i> | | | | | | |
| General | 55 | 400 | — | 455 | | |
| Plantations | — | — | — | — | | |
| Hydro-agricultural improvements | 690 | 2 930 | — | 3 620 | | |
| Agriculture | — | — | — | — | | |
| Stock-breeding | 515 | 1 085 | — | 1 600 | | |
| Fisheries | 110 | — | — | 110 | | |
| Forests | — | — | — | — | | |
| Miscellaneous | 636 | — | — | 636 | | |
| Agriculture-biased integrated projects | — | — | — | — | | |
| II. Economic infrastructure | | | | 8 252 | 31.1 | 27.3 |
| 4. <i>Transport and communication</i> | | | | | | |
| General | — | — | — | — | | |
| Roads and bridges | 5 523 | 900 | — | 6 425 | | |
| Railways | — | — | — | — | | |
| Ports and waterways | — | — | — | — | | |
| Airports | 577 | 830 | — | 1 407 | | |
| Telecommunications | — | 420 | — | 420 | | |
| III. Social development | | | | 9 746 | 36.7 | 32.2 |
| 5. <i>Education and training</i> | | | | | | |
| General | — | — | — | — | | |
| Education infrastructure | 3 900 | 1 250 | — | 5 150 | | |
| Specific projects, vocational training and secondment of instructors | — | — | — | — | | |
| Grants | 2 850 | — | — | 2 850 | | |
| Courses | — | — | — | — | | |
| 6. <i>Health</i> | | | | | | |
| General | — | — | — | — | | |
| Infrastructure | 870 | 21 | — | 891 | | |
| Health campaigns and technical cooperation | — | — | — | — | | |
| 7. <i>Water engineering, housing, etc.</i> | | | | | | |
| General | 60 | — | — | 60 | | |
| Village water supplies | — | — | — | — | | |
| Town water supplies | 65 | 730 | — | 795 | | |
| Urban drainage | — | — | — | — | | |
| Town planning | — | — | — | — | | |
| IV. Trade promotion | | | | | | |
| 8. <i>Trade promotion</i> | | | | | | |
| General | — | — | — | — | | |
| Trade structures | — | — | — | — | | |
| Fairs and exhibitions | — | — | — | — | | |
| Trade information | — | — | — | — | | |
| Marketing | — | — | — | — | | |
| Total I, II, III and IV | 16 933 | 8 566 | 1 000 | 26 564 | 100.0 | 87.8 |
| V. Exceptional aid | | | | | | |
| 9. Disasters | | | | | | |
| VI. Stabex | 997 | — | — | 997 | | 3.3 |
| VII. Miscellaneous | | | | 2 677 | | 8.9 |
| 0. <i>Miscellaneous</i> | | | | | | |
| Information and documentation | — | — | — | — | | |
| Conferences | — | — | — | — | | |
| Programmes and general technical cooperation | 195 | — | — | — | | |
| General studies | — | — | — | — | | |
| Supervision | 2 482 | — | — | — | | |
| Administrative and financial costs | — | — | — | — | | |
| Multisector programmes | — | — | — | — | | |
| Total I, II, III, IV, V, VI and VII | 20 672 | 8 566 | 1 000 | 30 238 | | 100.0 |

African 'invasion' of London's theatreland

Advocates of greater cultural exchange between Africa and West Europe have one particular objective in common: the cross-fertilization and creation of richer cultures in both continents.

In Britain, this has an added importance. There is a need to create harmonious race relations in a society with an emerging new generation of Africans and Caribbeans—and not surprisingly, more people are involved there in the propagation of African cultures than anywhere else, to the extent that some critics are already talking of an African 'invasion'. The impact they make on the British theatre scene is not negligible, given the adverse circumstances in which they work.

These difficulties first of all include, according to Alem Mezgebe, an Ethiopian-born, London-based writer, a general lack of appreciation of black creative works, lack of grants and lack of facilities, such as premises on which plays and other creative works can be rehearsed and presented. These pile up "to make things extremely difficult for the black creative mind" in Britain, he feels.

On plays and musicals brought in from Africa and sponsored by impresarios, and African ballets which occasionally visit Britain, Dr Alastair Niven, director of London's Africa Centre, analyzed the problems they face as follows: "the arts in Britain, and I imagine this is true of a lot of other European countries, are struggling for survival because they get minimal state sponsorship. It's job even for the Royal Shakespeare Company, the National Theatre and the Royal Opera House, which are leading companies, to stay alive. So there isn't much spare money around to bring these other (African) companies. And big impresarios who can afford to do this are not normally willing to take the risk in case they lose a lot of money. One must see it from their point of view. Audiences are very conservative and don't often go to things they haven't seen before. So it's a real problem. I would like to think that big bodies, perhaps the EEC, would sponsor visits as part of a general

development programme. It is informing public opinion, after all".

Despite these difficulties, the London theatrical world has witnessed the production of African plays and musicals on an unprecedented scale in the past five years, as a result, no doubt of the success of Athol Fugard's *Siswe Banzi is Dead*, a South African play which the author himself brought to London's West End in 1971 and which has since been shown twice on television. But what are their commonest themes?

The condition of the oppressed and the struggle for freedom, they say, often are stimuli to creative talent. Like *Siswe Banzi is Dead* before them, most of the plays and musicals presented in London originate from South Africa and inevitably are political in tone; but "if they are from other parts of Africa", says Dr Niven, "then the political theme

may not be there at all. For example, a couple of months ago we had a comedy presented in Nigerian pidgin English which was very successful — *Poor men de suffer*, a traditional story involving a dispute between husband and wife and the intervention of the angel of death".

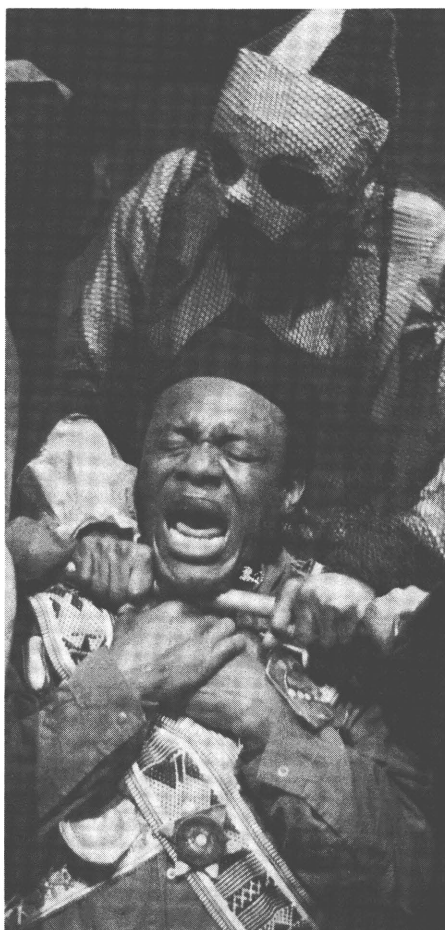
There are numerous plays and musicals presented at the fringe theatre which one would expect to make a greater impact on the British theatre scene. But Dr Niven does not think so. "First of all, they are playing to the converted. Most people who come to see a play at the Africa Centre, the Royal Court or the Round House are probably of a liberal disposition. So the authors are not really getting through to a new kind of audience with the ideas in their plays." Besides, an audience hardly exceeds 60 people in any one show.

An award-winning play

While insisting that grants and facilities are indispensable, the feeling amongst African writers and actors in London is that a tremendous amount of sacrifice and dedication is required on their part to break into the British theatrical world. Alem Mezgebe, for example, won the fringe first award at the 1979 Edinburgh Arts Festival, with his play *Pulse* — a drama which explores the psychology of dictatorship. The award was the first ever to an African play in the 33 years of the festival's existence. But Alem Mezgebe had to pay a price for it. He claims to be £4 000 in debt as a result of his success.

About *Pulse* itself, Mezgebe told the *Courier* that "when people talk of political power, it is the physical power they portray. What I did was to show the conflict that exists in the mind of a dictator, that is the conflict between his ambition and his conscience. Naturally the first victim is his conscience, because if he wants to hold on to power, he must first get rid of it. And once his conscience is removed, the dictator starts to kill because he thinks that by getting rid of his actual and potential enemies, he can maintain his powers".

This obviously has universal appeal and Mezgebe's ideas are scarcely new. But the play does remind the audience that the dictatorship and massacre which characterized the 1970s in Africa were the work of a few "conscienceless" men and should not be misconstrued as the "barbarism" of a race.



The award-winning "*Pulse*" on stage at Edinburgh

The role of impresarios

Many plays from Africa have reached London's West End via impresarios and among these are notably the South Africa drama *Umabatha* (an adaptation of Shakespeare's *Macbeth* with the story of the 19th century Zulu King, Shaka), and *Parcel Post*, a melodramatic comedy based on a particular aspect of Lagos life in Nigeria. *Parcel Post* portrays a pattern of conjugal infidelity and marriage by proxy which the author, Yemi Ajibade, finds interesting and amusing in his people.

British theatregoers, however, seemed to have most appreciated *Ipi Tombi*, at least judging from the favourable comments it generated from the British press and its subsequent box-office success. When the musical opened at Her Majesty's Theatre in November 1975, after an acclaimed tour of British provincial theatres, the London *Sunday Times* theatre critic wrote that he did not believe "that even the best American musical could rival it" while publicity agent Clifford Essam maintained that *Ipi Tombi* was clear evidence that Africa was surely emerging "as one of the most exciting sources of music and entertainment in the world". These glowing tributes were certainly vindicated. Houses were constantly filled to capacity and at the end of each performance a crowd scrambled for the recordings, which were only sold in the theatre.

"A front for the government"

Ipi Tombi is still running in the West End but it is now more of a tourist attraction than a British audience-puller. Moreover, the almost unanimous acclaim which greeted it on arrival has evaporated. Critics say that the musical tends to negate the realities of apartheid in South Africa. In the opinion of Dr Niven, for example, *Ipi Tombi* gives "a very hygienic view of black South African life which I think originated as a kind of front for South African official government policy. It is not a political show in any way. It presents a group of smiling, dancing, happy black people, with no problems in the world, celebrating the joys of life".

Devised by Bertha Egnos, the story of *Ipi Tombi* lacks any intellectual significance. It begins in a tribal Zulu setting at breakfast. The menfolk are away hunting and the women are busy grinding corn, preparing food and drink. In the evening the hunters are back and they gather to sing and dance. There is a christening scene where a witchdoctor interrupts the ceremony and casts



"Ebamujo", one of the many plays hosted by the Africa Centre

his spell on the celebrants. The 'spirit of Christ' intervenes and the conflict that ensues ends in the triumph of Christ. In another scene, a young Zulu leaves his homeland to work in the city (Johannesburg) but he is disillusioned in the end. "Is this my place?" he asks. "I am going back home to my people." Bertha Egnos here clearly failed to expose the disastrous consequences of contract labour and pass laws on family life in South Africa—laws which came into force long before *Ipi Tombi* was formed more than 10 years ago.

This criticism is getting home to some members of the troupe and it is interesting to note that a number have withdrawn and taken part in *Sounds of Soweto*, a much more down-to-earth production by the Black Theatre Workshop. Like *Ipi Tombi*, *Sounds of Soweto* is rich in songs and dances and covers a variety of topics, from circumcision and courtship among black ethnic groups to the grim realities of the pass laws and the Soweto riot of 1976. The drama ends with the familiar Zulu "warrior" dance, an ominous reminder, perhaps, of what is in store for apartheid.

Of all the musicals that have so far reached the Longon stage from Africa, *Dance Senegal* (the national ballet of Senegal) appears to have captured most the imagination of British theatregoers — and it is just as well it has, because the dance coincidentally embraced, to some extent, the culture of a wider geographical area of the continent.

It was said that in compiling the programme, Maurice Senghor, the founder of the troupe, went to the smallest and remotest villages in Senegal in search of the country's folklore, incorporating "everything that seemed valid from a

costume, musical or poetic point of view". The end-product was not only the "life and artistic expression of the Senegalese people" but also the culture of other parts of West Africa, from Nigeria to the Gambia.

The instruments and movements are West African — a 21 string harp-lute, tom-toms, balaphones, huge crescent-shaped calabashes and movements which involve somersaulting, hand-standing, food-stamping, stilt-walking and several amazing acrobatic feats. The troupe has a dozen or so beautiful girls whose serenity and graceful dances clearly moved the audiences — swinging their arms vigorously up and down their sides, with fluttering movements of the bare breast. There is a spectacular revolving human haystack, a resemblance to a bunch of hay in the fields set in motion by the wind, a very familiar sight in West Africa's savannah.

As well as offering the British theatregoer a first-hand knowledge of the people and culture of West Africa, *Dance Senegal*, for the Caribbeans in Britain, was a refreshing production of something similar to their own folk tales, riddles, proverbs and poetry — that is, if one subscribes to the view that all the Africans taken as slaves to the West Indies were from the Gold Coast-Niger area, as claimed by Elizabeth Donnan in her book *The Slave Trade*.

Dance Senegal's tour of Britain was sponsored by the African Groundnut Council, a six-nation organization. Its success should provide reasons for similar sponsorship in the future. The African fringe theatre calls for concerted governmental and organizational assistance as a way of improving international understanding in an ever-shrinking and unstable world. ○

AUGUSTINE OYOWE

BOOKS

Jean-Paul SIMERAY — **L'An 2000 — apothéose ou apocalypse?** (The year 2000 — apotheosis or apocalypse?) Preface by Marc Blancpain — Economica, 49 rue Héricart, 75015, Paris, France — 120 pages — 1980

Every day brings some 200 000 more people into the world and there will be 6 000 million of us come the year 2000. Available arable land is deteriorating steadily. If both trends are allowed to continue unchecked, catastrophe will inevitably result, unless we can considerably increase agricultural yields—which would mean a vast increase in energy consumption.

Our reserves of fossil fuel are running out and new forms of energy are only stop-gaps. Nuclear power seems to be the only way out for the moment, even to ecologists like the author. The West should be able to head off the crisis. But what about the Third World and the Fourth World?

We are at a turning point in history. Perhaps a revision of our scale of values is called for, as Marc Blancpain, the head of the Alliance Française, says in his preface. "Believing, as we still do, that consumption is happiness, is to rush blindly towards disaster.

"Will we have the intelligence, the willpower and, above all, the courage to stop short, to abandon our economy of degradation and save ourselves by saving the land?"

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Harmut NEITZEL and Renate NOTZEL — **Africa and the Arab States** — Documents on the development of political and economic relations since 1973 — African Press Review, special issue N° 1 — Hamburg — Institut für Afrika-Kunde dokumentations-Leistelle Afrika, Neuer Jungfernstieg 21, D-2000 Hamburg 36 — 485 pages — DM 30 — 1979

The aim of this collection of papers is to provide an overall view of the development and institutionalization of Afro-Arab relations between 1973 and 1978 and to describe the various areas of cooperation.

The emphasis is on the importance of the troubles in the Middle East, oil policy, the role of the OAU and the Arab League, the first summit conference on Afro-Arab cooperation in 1977 and the intensification of commercial and economic relations. Considerable space is given to the organization and volume of Arab aid to Africa.

Some 200 articles taken from 30 African and Arab papers (in French and in English) form the bulk of this selection. In addition, there are 74 tables on financial assistance, trade relations and oil imports, reproductions of conventions setting up Arab development organizations and the texts of typical loan contracts between these organizations and the African states. A bibliography of 228 titles is a useful pointer for further study.

The material, mainly derived from Arab and African works, is an important source of information for politicians, research workers, the press and all those concerned with the problems of North-South relations and the development of the countries of the Third World, whose political weight is constantly increasing.

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André ANGLADETTE, Louis DESCHAMPS — **Problèmes et perspectives de l'agriculture dans les pays tropicaux** (Agriculture in the tropics — problems and prospects) — Preface by Maurice Schumann of the Académie Française — Editions G.P. Maisonneuve et Larose — 11, rue Victor-Cousin, 75005 Paris, France — 772 pages — FF 240 — 1980

The specific problems of tropical agriculture and the range of solutions put forward to handle them are studied here. Both technical and socio-economic aspects are discussed.

The work is obviously not an exhaustive study but is certainly more than a technical handbook. The authors cover what has been done and what is still to do and they show how the study of the problems of tropical agriculture leads to a consideration of the problems of underdevelopment as a whole.

This is why their writing is food for thought, as Maurice Schumann points out in the preface.

At a time when food is a serious problem, particularly in the Third World, and there is worsening crisis in the technological societies, this book leads the reader to conclude that the development of tropical agriculture must go hand in hand with the urgent matter of revising the growth model used in the industrialized world.

It is a substantial contribution to a topic of particular importance today.

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Gisela BONN — **Le Sénégal écrit: Anthologie de la littérature sénégalaise contemporaine** (Senegal in writing — an anthology of contemporary Senegalese literature) — Horst Eadchmann Verlag, Tübingen & Les Nouvelles Editions Africaines, Dakar — 507 pages — 1978

"The literature of Senegal has a very special place in African writing as a whole. It has both geopolitical and intellectual aspects as it is based on the history of the country and its many facets, both past and present, and is linked to a man who is both Senegal's president and a world-ranking poet — Léopold Sedar Senghor".

This extract from Gisela Bonn's introduction shows why she decided to produce an anthology of Senegalese literature and why she gave pride of place to the work of Senghor—to whom she also devotes the introduction.

Senghor himself wrote the preface. Alongside his most famous poems, like "Joal" and "Femme noire", there are essays ("L'Esprit de la civilisation ou les lois de la culture négro-africaine", "National et voie africaine du socialisme") and speeches such as the one he made when he was received by the academy of moral and political science.

The book contains work by 27 Senegalese authors in all, three of them (Nafissatou Diallo, Annette M'Baya and Aminata Sow) women. Various genres (poetry, the short story, drama, the novel and the essay) are illustrated.

An article on the genesis of French-speaking African literature by Mohamadou Kane (head of humanities at the faculty of arts of Dakar University) is an interesting addition.

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France STEWART — **Technology and Underdevelopment** — London, Macmillan Press Ltd — 304 pages — 2nd edition — 1978

This is a thorough analysis of the effect of the technologies of the industrialized countries on the Third World. These techniques were devised and developed to fit in with the industrialized countries' socio-economic conditions. Once transferred to the radically different and often quite unsuitable context of the underdeveloped countries, they helped create the problems of unemployment and inequality in the distribution of income that are so familiar there.

But the obstacles on the path to adaptation are considerable. There are technological alternatives which vary from industry to industry, and country to country, but aping the West has confused the issue and multiplied the problems involved in making a choice that is right for the host environment. Case studies mainly in Kenya confirm these conclusions.

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Patrick ENGELLAU and Birgitta NYGREN — **Lending without Limits** — Secretariat for Futures Studies, P.O. Box 7502, S — 103 92 Stockholm, Sweden — 84 pp. — 1979

The volume of world exports has tripled in the last 20 years, while the volume of world production has only doubled. In other words, the international economy is becoming increasingly interlocked—not so much by trade itself as by the internationalization of the services that accompany trade.

The foremost of these is banking, and especially lending, which has proliferated during the 1970s to the extent that completely new international loan markets have emerged and private banks now borrow from and lend to the whole world.

Much of the lending is channelled to the developing countries, enabling them to continue importing from the industrialized countries and thereby increasing the latter's dependence on the developing countries' markets. Loan and interest repayments are meanwhile tying up the Third World's funds ever more tightly.

Public lending organizations, whether national or international, are accounting for a decreasing proportion of loans to developing countries; public control over the private banks is decreasing to the extent that their increasingly transnational character gives them autonomy; and the banks themselves, on which both the developed and the developing countries depend for the maintenance respectively of their markets and their development programmes, are increasingly in pawn to their debtors.

This tangle is clearly charted by Engellau and Nygren, who prepared their report in the framework of a project identifying Sweden's position on and in a new international economic order. The importance of it is made clear in the introduction: "A private economy exists which is not particularly influenced by UN declarations. We deal in

the report with that sector of the private economy which is constituted by the international credit markets and the transnational banks. Before the '70s their scope was inconsiderable. Today they are of very great importance. How do they influence the distribution of political and economic power in the world?"

The book is an excellent introduction to the workings of a vital part of the international economic machine.

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L'Afrique d'expression française et Madagascar (French-speaking Africa and Madagascar) — Europe Outremer, 6 rue de Bassano, 75116 Paris — No 545 special, updated on 1 November 1979 — 278 pages — 1979

Europe Outremer, France's biggest monthly on Africa, has just published the 19th edition (entirely revised) of its exceptional annual issue, the well-known *Afrique d'expression française et Madagascar*. This is more than just a journal. It is, as we already know, a practical, easy-to-handle guide to the 25 French-speaking states of the countries of North and Black Africa plus Madagascar, Mauritius, the Comoros, the Seychelles and Djibouti.

It is an invaluable work of reference containing figures, statistics, dates, names, events, addresses and a whole range of other facts. It is the fullest and most up-to-date work of its kind, as a simple comparison with other similar works quickly reveals. The 19th edition gives all figures (usually for 1977 or 78) available at the beginning of November.

It lists all the governments (including the transitional government in Chad), per capita GNP for 1977, almost all the production figures for 1978, the number of inhabitants according to the most

recent censuses, the pupil population in September 1979, the names of the new ambassadors to Paris and the French ambassadors to the African countries, as well as some of the budgets for 1980.

The most recent staff plan of the French cooperation ministry is also included, as are analyses of ongoing and approved development plans, recent estimates of external debt and so on. Some of the countries (Central Africa and Chad) have recently set up new institutions and these too are analyzed. It is clear that a considerable amount of work has gone into bringing the document up to date, a remarkable feat bearing in mind the time limits which editors and printers of this type of publication have to respect.

The 19th edition (21 × 27, 278 pages, 26 maps) contains portraits and biographies of the heads of the 49 members of the OAU, as on 1 November 1979. The new presidents of Angola and Central Africa (20 September), quite naturally, are amongst them.

There is a separate chapter on each of the 25 French-speaking countries of Africa. Each begins with a map and follows much the same pattern—a recent chronology, socio-economic details, the essential features of the population, employment and income, political and administrative organization, the diplomatic corps abroad and from abroad, a precise and fully up-to-date table of economics and finance (gross GNP, balance of payments, the budget, main products, agriculture, industry, external trade, basic facilities, major ongoing projects, major future plans, cooperation with foreign countries), the Africanization of the economy, social organization (education and health) and various other details.

The last chapters are devoted to inter-state organizations, to France's relations with French-speaking Africa and to the EEC.

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