# "Africa in the Lurch?: EEC and Member States Commitments to a Poor Francophone African Nation (Niger)."

By
Robert B Charlick\*
Cleveland State University

A Paper Presented to the European Community Studies Association Meetings George Mason University, May 22-25, 1991

\*With bibliographical assistance of Claude Girard, doctoral candidate, Université de Aix-Marseille III, France

In thirty years of formal independence few of France's former African colonies have flourished. Some, notably the countries bordering on the Sahara desert known collectively as the Sahel, are among the poorest nations on earth. Economically they are characterized by weak export economies, often depending heavily on a single, inelastic commodity, by low levels of productivity, by low levels of foreign investment, and by a declining standard of living which has left their rapidly growing populations worst off today than in 1960. They suffer from being landlocked, often over one thousand miles from an ocean port, with regional organizations that do not assure the free movement of goods and labor and which fail to compensate interior states adequately for customs revenues collected at the port of entry. In recent years, they have all been confronting debt burdens and fiscal crises, which, while mild in world terms, are crushing for such weak economies. As a result, all have been under the tutelage of the I.M.F. and World Bank, and of the Paris and London Clubs, attempting to be good students of the banks, fulfilling their conditions to the letter. Yet these international policies have obviously failed to produce the desired result of "economic development."

With the fall of communist regimes in Central Europe and the Soviet Unions own paroxysms of political reform and economic change, the reason for Africa's failure has become evident to some of their most ardent former supporters in Europe, and notably the French government. Obviously they must undergo political change—democratization, or what the some wags label "Paristroika." While the Development Assistance Committee of the OECD (Organization of Economic Cooperation and Development), the umbrella grouping of all "western donors," has publicly joined in this perspective, thus far at least the European Community, another important source of multilateral aid to Africa, has refrained from becoming openly associated with calls for the "new conditionality." Given, however, that the French play a vital if not dominant role in EC foreign aid decisions, most observers ask themselves whether they can

be far behind. Of course, given their situation of dependency, Sahelian leaders are particularly troubled by these developments. For them they represent not only a new set of conditions and constraints bringing with them more intrusive intervention into the politics of the region, but perhaps even more troublesome, a rationale for French and European withdrawal from the region. For them, Africa is not only being asked to "get its act together," it is in grave danger of being left in the lurch even if it does.

This paper examines this shifting perspective, and its impact on sub-saharan Africa, both in general and concretely in terms of one sahelian country-Niger.

## SIGNS OF TROUBLE AND CONCERN

For those looking, 1989 was replete with signs of trouble for Sub-saharan African leaders, and particularly for the heads of sahelian countries. In July 1989, the countries of the EC held a summit to examine how they could coordinate and increase their aid to Central Europe, particularly to Poland.<sup>3</sup> Many began to talk of the shift of priorities to the East. In January 1990, French Minister of Cooperation, Jacques Pelletier, publicly proclaimed that African regimes would have to straighten out their financial mismanagement and create "states based on law." By February, France was abuzz with reports of a new report on French aid, commissioned by Prime Minister Michel Rocard and written by Ambassador Stephen Hessel, calling for a major reorientation of aid toward countries which institute democratic reforms resulting in more public accountability for "development" expenditures. The principal thrust of this report was a reworking of a theme explored in 1981 by Minister of Cooperation Jean-Pierre Cot, and his associates Cheysson, Pisani and Delors. At that time the notion that French aid should be conditional on social and political progress in client regimes had been abruptly rejected when Mitterand had found himself besieged by his old African friends, the Heads of State of Cote d'Ivoire and Gabon.<sup>6</sup> In 1988 Pisani had revived the thesis in his book Pour L'Afrique, and

Hessel had incorporated the case as well as a call for integrating aid to former colonies into the overall French foreign policy into his report. While the Elysee Palace ultimately again rejected the Hessel report, it did so this time largely for its administrative recommendations.

Throughout 1990, Mitterand took up its principal theme, committing France to continued concern for African development, but posing conditions.<sup>7</sup> At the Franco-African Summit at La Baule, France, in June 1990, he spelled out this conditionality in terms which further alarmed and even offended a number of African leaders.<sup>8</sup>

Paralleling these apparent shifts in French policy were the pronouncements by such multilateral donors as the IMF and World Bank and the Development Assistance Committee (DAC) of the OECD. In a preface to its 1989 annual report the DAC not only supported the need for more participatory and equitable patterns of development, but it explicitedly made the connection between such policies and more democratic host government political institutions. Its praise for the fundamental political changes in Central and Eastern Europe and its belief that these changes would support important processes of economic reform was lost on few African leaders, despite the DAC's assurance that this support would not "diminish (their) determination to give high priority to their development co-operation with the Third World."

These policy pronouncements have taken place, moreover, in a highly troubling backdrop, one of the seeming collapse of the French political consensus during 1989 and 1990 on its special relationship with Africa, and on French foreign aid in general. At the mass level support has been badly eroded, this time not by unthinking isolationism like the Cartierist movement of the mid 1950s, but by doubts that the investment is worthwhile compared to alternatives including European integration and expansion into more affluent and democratic markets. A June 1990 poll, for example, showed that more French now think Eastern Europe should be a priority for France (22%) than Africa (18%).<sup>10</sup> More alarming yet to the Africans, half the French see their

African policy as a failure, nearly one-fourth think that France should not aid Black Africa at all, and another 47% think that aid should only be given if African countries alter their political systems and become more democratic.

French leaders of all political tendencies remain somewhat more committed to continued close relations with Africa, but "agree(d) on the disaffection of the public from Africa, and are having more and more difficulty in persuading French private capital to continue investing there.."

Meanwhile, a debate has been raging in the intellectual community in France over the future of North-South relations, and the special French relationship toward Africa, as the world restratifies, which has raised very troubling questions that have not been publicly articulated in France for years. 12

In the face of these emergent trends, African regimes have been put very much on the defensive. At Abuja, and again at the Khartoum in 1989 they responded by acknowledging the need for more democracy and accountability in their decision making processes, <sup>13</sup> but they have also attempted to counter-attack by promoting a campaign of fear of abandonment of Africa and its consequences for disorder in Africa and negative impacts for Europe, such as increased immigration. In late 1989 and 1990, encouraged by these pronouncements by both their leaders and European officials, political dissidents in a number of African countries began to shake the foundations of their regimes demanding elections, legal multiparty processes, economic rights, and better human rights policies.

## NIGER: A SAHELIAN CASE

The situation of the poorest countries of sub-saharan Africa can perhaps best be understood by examining a single country, Niger.<sup>14</sup> Niger is a typical landlocked country of the Sahel, apart from the fact that it is one of the world's largest producers of uranium ore (yellowcake) and has been France's largest supplier for years.

Niger has obviously been extremely dependent on its former colonial power France in economic terms. Typically, France has purchased about 60% of Niger's exports including over 80% of its uranium production, and has supplied 35-45% of Niger's total imports. Even with this preferential trading partner, however, Niger has run current account deficits in every year since 1980. It has been obvious to Nigerien leaders that they could ill afford to lose the French market, and this fact has added to their limited ability to bargain with France over the price and conditions of sale of Niger's basic commodities.

France also has traditionally supplied the lion's share of public assistance to Niger, both in technical assistance and in project and budgetary aid. Overall aid to Niger has amounted to between 45% and 75% of Niger's total national budget in the period from 1975 to 1981, rising with structural adjustment and the drought of 1984 to 135% of the budget. One country, France, supplied between \$50 and \$70 million a year, representing about 25% of Niger's bilateral aid in the 1980s. In addition, the European Community, through it project fund (Fund for Economic Development), Commodity Stabilization (SYSMIN, STABEX), and its loan guarantees has provided an additional \$15 to \$25 million a year, due largely to pressure from the French government.

French influence over Niger extends as well to monetary policy and credit. As a member of the Franc zone, Niger must work closely with the French Ministry of Finance to manage its money supply and exchanges. The purchasing power of its currency is directly tied, therefore, to decisions made in Paris. French public institutions (Caisse Central de coopération économique, CCCE) and private banks backed by Coface (Commission nationale des guaranties) hold a large percentage of Niger's \$1.7 billion foreign debt, giving the French Ministry of Finance and the International Division of the Treasury major roles in the Paris Club of creditors which decided how to deal with outstanding third world public debt. 15

Until the mid to late 1970s Nigerien leaders responded to this extreme dependency on France largely by attempting to offer France interests in Niger in order to receive the best possible terms, price subsidizes and access to the French and to the European market possible in return. In the 1960s and early 1970s this took several forms: accepting the terms, however unfavorable, of French investments in Niger, particularly in the uranium mines; supporting French positions and interests in international arenas, such as the U.N. and the Organization of African Unity, even on so-called North-South issues; and cooperating fully with the French in francophone institutions.

While in sahelian terms, Niger has had one of the more stable political systems, with only one irregular change of regime since 1960, it has also been plagued by authoritarian, narrowly-based governments, characterized more by personal organization and faction fighting, than by parties of instruments of institutional control and competition. As long as France assured its rulers that they would intervene to protect French interests against foreign enemies (notably Libya) and domestic rivals, or that they would not intervene to check the worst human rights and economic abuses of the regime, the balance of political power was clear. Niger's weak opposition groups, principally its students and unions, could do little to further their political or economic demands. With the lessening of this French guarantee, Nigerien "civil society" has burst forth onto the scene, challenging the political structure of President Ali Saibou's single party-military faction state and publicly decrying some of its policies, such as its decision to send Nigerien troops to join the U.N. Coalition in the Persian Gulf. This has led to a political crisis which is currently playing out.

## PERSISTENCE OF THE PATTERN OF PUBLIC ECONOMIC RELATIONS

Any discussion of the shifts in priorities introduced by new conditions must start from an understanding of the established patterns. A few generalizations are in order. Relations

between given "third world" states and the advanced economies of Europe have developed through both bilateral and multilateral means, through both European institutions and non-EC actors. Together they form a total picture which cannot be readily ascertained by examining one piece.

Over the past twenty years since the signing of the Yaoundé II Convention in 1969, a number of patterns have emerged with regard to EC relations with associated African states. First, every five years the EC and its associated states have successfully completed the negotiation of a convention which has provided for increased financial flows to the associated states and has broadened and extended trade concessions and compensatory mechanisms such as STABEX and SYSMIN. Second, despite the efforts of both the ACP states and the EC Council and membership, EC aid to its associated states has been falling in real terms since the signing of the Yaoundé II Convention in 1969. Third, what aid has been available has gone disproportionately to the higher-income associated states. 16 Aid and compensatory assistance have also helped some associated states much more than others, depending upon their exact production mix, its centrality to community member concerns and its potential for competition with community producers, and a number of less readily generalizable bargaining conditions. Actors who have produced commodities of continued importance to EC consumers, and who have been able to get their commodities covered by the STABEX and SYSMIN agreements have done better than others. Nonetheless, as a group, African states have become less important to the EC as a whole in terms both of the volume and value of goods exchanged and the relative importance of their raw commodities to European markets.

Former French colonies, members of the Yaoundé group, have both carried some advantages into the Lomé convention period of a broader group of associated states since 1975, and have experienced some high costs of French harmonization of prices and tariffs with the

broader community, as compared to the period when France could subsidize exports by paying above the world market price. On the other hand, in the decade following Yaoundé II, EC aid did not come at the expense of bilateral aid, even at the expense of French aid. In fact there is substantial evidence that the French promoted both aid and trade concessions from their former colonies within the EC structure, although not consistently and not without self-interested considerations.

Overall, these trends left many small, poor African states unhappy and even bitter about the failure of the EC to meet its commitments as a powerful new patron to help maintain financial flows to Africa in real terms, and perhaps to help African regimes maintain and increase their export earnings.<sup>17</sup> Others, however, ask where there states would likely be in relative terms had the EC not undertaken its past commitments, and argue that the impact has been highly positive overall. This is the context in which we must examine Niger's concerns and situation in the 1990s.

#### **EEC RELATIONS**

Even before the fallout from the winds from the East had had a chance to settle on Western Europe, many expected that the Lomé IV negotiations might be a watershed for EC support and interest the ACP states and particularly in sub-saharan africa in particular. This time the ACP's bargaining position, and particularly the position of the associated African states, seemed less favorable than ever. The EC was itself split between "Northern" and "Southern" (Spain, Greece, Portugal) states over terms of trade for commodities, and levels and types of aid. ACP economies could well appear less important to EC members since as a group they had greatly reduced their dependence on tropical and other raw commodities. Sub-saharan African economies seemed particularly vulnerable since, after 15 years of privileged access to European markets, their economic marginality had increased dramatically, leaving them the

producers of only about 2% of world trade revenues by 1990, according to some French sources.<sup>19</sup> In additional, the Uruguay Round of the GATT negotiations, which reduced the EC's common external tariff, further threatened to weaken ACP country competitiveness by lowering their preference margins. These weaknesses were still further intensified among the former French colonies of the franc zone, by the fear that the creation of a "single integrated market" would lead to a single currency and an end to the advantages which automatic convertability yielded.<sup>20</sup> Given this very weak bargaining position, Lomé IV might well have been a disaster for the ACPs and particularly for the African ACPs.

The negotiations for the Lomé IV Convention were concluded in December 1989 at the insistence of the ACP, and particularly by its francophone members, who were fearful that delay might well weaken their position. The Europeans, for their part, were willing to conclude the agreement for a number of reasons which had operated in the past— to avoid the embarrassment of failing to help so needy a group, to defend themselves in other fora against new demands, and because this time the ACPs represented no credible threat and could be managed fairly easily in the negotiation process.<sup>21</sup> The French, some have suggested, wanted to successfully conclude the agreement because of their continued desire for prestige and power associated with being a good patron for their African clients.<sup>22</sup> The fact that Lomé IV was concluded at this time may have proven to be of considerable advantage to small francophone states like Niger, since the details were set before the tumultuous events of 1990 in francophone Africa, and before the French public debate on aid could be fully developed or absorbed. Lomé IV, for whatever it defects would bind Europe to Africa for ten years.

But what specifically did a state like Niger obtain in the Lomé IV process? It should be recognized that earlier EC-ACP arrangements had a very mixed effect on the Nigerien economy.

As a result of the Yaoundé II convention Niger lost about 20% of the revenue from the sale of

groundnuts and about 30% from the sale of groundnut oils as a result of the lost of French price supports.<sup>23</sup> As production picked up total revenues did return to approximately mid 1950s levels, but the terms of trade from EC trade concessions barely improved. When the second petroleum shock hit causing world demand and world commodity prices to plummet, Niger's agricultural revenues fell dramatically. Niger got little else from these agreements because its principal export, representing over 80% of its export value by then, had become uranium, which did not benefit from tariff preferences. Niger had to sell its uranium on a contract basis to the equity partners in its mining operations for prices which were negotiated. Although these prices were above the world market at times, that market has been in sharp decline from the early 1980s at least until the outbreak of the Gulf war. As for Niger's other exports, cowpeas and other vegetable crops are marketed preferentially in the region.

The Lomé IV agreement will alter very little for Niger in terms of its trade revenues or conditions. It may receive some assistance from agreements to lower barriers to the importation of fresh beef although most of its beef is marketed live within the region as well.<sup>24</sup> The biggest potential gain for Niger may derive from the inclusion of its principal export, uranium, as a "first category" mineral eligible for support by SYSMIN.<sup>25</sup> Previously, uranium had been excluded from inclusion in STABEX and SYSMIN.<sup>26</sup> The only assistance Niger had been able to obtain for its mineral products had been a loan of 12.5 million ecu in the 6th EDF to help expand its gold and coal production.<sup>27</sup> Since Nigerien uranium revenues had fallen by nearly 25% from 1983 to 1989 (measured in Fr cfa revenue) it would have been eligible for some SYSMIN relief in that period.<sup>28</sup>

The implications of Lomé IV for aid to a particular state will be difficult to ascertain until years after the conclusion of the 7th EDF. In principle nearly 50% more resources (at current prices) will be available under Lomé IV than under Lomé III, and francophone African states have

typically claimed a disproportionate share of these resources. In concrete terms, however, the EC Council reports cumulative resource flows (disbursements) to individual states rather than committments.<sup>29</sup> The disbursement process for the EDF is so slow that in 1987 Niger was still receiving funding from the 4th and 5th EDFs, and by early 1990 it had yet to receive much non-project aid under the 6th EDF.<sup>30</sup> Nonetheless, in 1990 there was already concern about the "sharp decline in EC funding to Niger," in a major publication which monitors the region, as the Bulletin de l'Afrique Noire reported that EDF project aid to Niger fell from 77 million ecu in 1987 to only 5.1 million in the following year.<sup>31</sup> Of course this report is completely misleading since it focused on commitments and not disbursements, and the 1987 figure was inflated by a lump commitment of 63 million ecu to an irrigated rice project to be funded over at least the next six years.

TABLE 1
EEC CUMULATIVE PAYMENTS FROM EUROPEAN DEVELOPMENT FUND TO NIGER:

000 ECU	PROJECT AID	NON-PROJECT AID	TOTAL EC AID
EDF 4 TO NIGER	68,083 (3.6%)	110,930 (4.1%)	179,013 (3.9%)
EDF 4 TOTAL TO ACPS*	1,903,914	2,706,062	4,609,976
EDF 5 TO NIGER	80,171 (3.3%)	98, <i>7</i> 59 (2.5%)	178,930 (2.8%)
EDF 5 TOTAL	2,448,658	3,923,103	6,371,761
ALL ACPS EDF 6 TO NIGER	119,985 (3/6%)	35,216 (1.7%)	155,201 (2.8%)
EDF 6 TOTAL ALL ACPS	3,354,252	2,102,673	5,456,925

Source: European Economic Commission, Council of Ministers <u>Annual Report of ACP/EEC Council of Ministers</u> Brussels:EEC, 1990.

<sup>\*</sup> Excludes regional projects and French overseas possessions (DOM/TOM)
Non-project aid includes STABEX,SYSMIN, Refugee and emergency assistance, Risk Capital Aid, Aid to Interest Rates, and the Rehabilitation Fund.

What is significant is the nervousness of African and other analysts concerning EC support. From the 3rd EDF to the 6th EDF actual EC aid disbursements to Niger increased steadily in current prices, rising nearly 120 million ecus with the 6th EDF<sup>32</sup>. While this level of funding may well not have kept pace with inflation or with demographic growth, <sup>33</sup> Niger's share of overall project aid to all ACP countries has held constant at about 3.5% from the 4th to the 6th EDF. Even with the expansion of the ACP group, it seems unlikely that the pattern of actual disbursements for project aid will shift significantly, **as long as the French continue to press** the claims of their former colonies. Non-project aid, such as STABEX and SYSMIN contributions, aid to refugee and other emergency aid, and subsidies to interest rates and risk capital vary much more widely depending on circumstances both within Africa and in world commodity markets, and no clear trend is evident here.

Some analysts have made a point of examining how Lomé IV has begun to redefine the principles of aid as well. On the one hand, it provides for the first time a small (1.5 billion ecu) fund for assisting in financing structural adjustment.<sup>34</sup> On the other hand, there are provisions in the new convention which encourage European non-governmental organizations to forge relationships directly with local communities to promote a more "people-centered" development which need not pass through governmental projects.<sup>35</sup> The implication of both are that Europeans want their aid to be used increasingly to hold African governments to conditions, both of fiscal responsibility and of increasing democracy. While these provisions are small steps in the overall Lomé agreement and were explicitly resisted as of December 1989 by French authorities, the implications can not be lost on African leaders, such as the current regime in Niger. Even the security blanket of Lomé holds within it the pressures for change and the implicit threats of new priorities should change not be forthcoming.

## FRENCH RELATIONS

Relations between France and the former french colonies in sub-saharan Africa have been rightly characterized as highly asymmetrical. Some analysts see these relationships largely in neo-colonial terms viewing the Sahelian states such as Niger as dependencies or enclaves for French interest.<sup>36</sup> French public assistance to its formers African colonies has obviously been important to them, but it has also historically been important to France, marginally in economic terms but primarily in terms the conception of power and status which the French and their leaders have shared.<sup>37</sup> This consensus has altered only moderately as French politics has swung from the Right (the Gaullists) to the Left (The Socialists). Both have continued to emphasize the continued importance of Franco-African relations, although with important differences in style and rhetoric.

As France's African and global economic interests in Africa have shifted, leaving Africa extremely marginal to French commercial interests, French governments have been accused of having "no clear policy in Africa. only bad habits." These "old habits" run deep, however. Even in the intense debate which has been going on in France in the past few years, few French intellectuals have been calling for a substantial withdrawal from Africa. For the most part the debate is structured around why France should continue to play a leading role there given the nearly total lack of commercial motivations.<sup>39</sup>

During the last two years of dramatic change the Mitterand government has been virtually alone in Europe in its continued emphasis on helping Africa and on "North-South" equity themes.

As the EC Ministers moved to consider the impact of changes in the East on EC aid and as the G7 prepared to meet, for example, Mitterand consistently argued that they also include discussions of new aid commitments to the "South."

The problem for the sub-saharan states arose as Mitterand also began to sound a new theme, the right of the "North" to insist on a new kind of "conditionality" — movement toward democratic reform, and respect for human rights. 40 Many also took the Hessel Report as a rebuff of French Africa, and a call for less attention to this area. A number of African leaders feared that the new conditions implied in the Hessel report were little more than a rationale for lessening French interest in Africa.

Certainly neither Mitterand nor Hessel have suggested that this should be the case. Mitterand, for example, has been careful to give assurances that, while France strongly favored democratic transitions in Africa to assure the efficiency of French aid, it would not simply withdraw, leaving Africans to their own fate.41 Hessel has also stated that about two-thirds of French aid should continue to be concentrated on France's traditional partners in sub-saharan Africa and the Maghreb. 42 He has argued strongly against a young generation of French believing that it has nothing to gain from its continued association with Africa. What Hessel has reintroduced into the French aid debate is quite another set of questions, pointedly raised by Mitterand's first Minister of Cooperation, Jean-Pierre Cot, nearly a decade ago. Hessel asks whether France has such a stake in African stability, that it must use its resources to support "friendly" regimes even if such regimes thwart change and development. But he also asks a question which is even more threatening for African leaders, when he inquiries into whether France need derive its sense of status and worth in the world from its "special relationship" -- its virtual monopoly of influence in certain African countries. In responding "no" and in contributing to the democratization of French foreign policy, he may be helping to provide a rationale which others with less interest in Africa may use to "diversify" French aid away from Africa. Thus far, however, those tendencies are minoritarian in French policy making circles.

### FRENCH POSITIONS ON TRADE

Since the signing of the Yaoundé II Convention, and certainly since Lomé I in 1975, French trade policy is substantially dictated by EC agreements. Throughout the negotiation of Lomé IV the French delegation led the way in arguing for better terms for ACP commodities in the EC market, and more support for both tropical commodities and mineral through STABEX and SYSMIN facilities. It was generally joined in this position by Germany, the Netherlands and the U.K. There has also been a close relationship, however, between French aid and trade. French aid is among the most closely tied in the world. A 1982 study, for example indicates that between 67% and 72% of bilateral aid to the FAC zone countries (former French colonies) returns to France in the form of salaries and purchases.<sup>43</sup> The persistence of French aid is, therefore, one way the French can continue to assure privileged markets in the "french-speaking world."

#### FRENCH AID

Year in and year out France has led the major economies of the OECD in its aid support. France plays a critical role, not only in terms of bilateral relations with Africa, but also in terms of its relations with other EC countries and its impact on EC policies. Throughout the Lomé IV negotiation process, it was the French who argued most strongly for the continuation of development aid mainly as product assistance rather than simply financial relief to help poor African states deal with the worst aspects of structural adjustment and conditionality.<sup>44</sup> In fact, the final agreement on the EC aid package was made possible by the French desire to conclude it under their presidency of the EC Council, and to put up additional resources to cover the difference.

TABLE 2
EVOLUTION OF FRENCH AID TO SUB-SAHARAN AFRICA AND TO NIGER

DISBURSEMENTS IN \$ MILL	IONS SOURCES TO ALL OF SUB-SAHARAN AFRICA	ALL C AID TO SUB- SAHARAN AFRICA	DECD FRENCH TO NIGER	FRENCH AID
1970			15.9	
1980			57.3	
1985	7863	2336	48	
1986	8730	2316	59	
1987	8719	2420	70	
1988	9460	2591	69.3	•

SOURCE: Joseph C. Wheeler, <u>Development Co-operation in the 1990s: Efforts and Policies of the Members of the Development Assistance Committee</u> (Paris: OECD, 1989), p. 238-39.

Since 1989, French bilateral aid has been the subject of considerable controversy. In April 1989 the French Assembly held what was billed as a major debate on aid, raising questions about aid priorities. The French "Right," notably the RPR, pushed hard for a scheme to "globalize" and rationalize French aid to permit France to be seen as continuing in its humanitarian mission while readjusting its aid more toward to Eastern Europe. According to Socialist Party Minister of Cooperation Jacques Pelletier, this aid debate had almost no impact on the actual budget adopted on October 24, 1989. Not only was the total of amount of aid increased by 4.8%, raising to 7.3 billion francs (about \$1.4 billion at that time) in a period of a tight budget, but the ruling Socialist Party preference for concentrating aid on Black Africa and for rejecting the permanent underdevelopment of that continent was still reflected in the "Cooperation" budget. Beyond this, it is to early to tell what the exact geographic distribution of French aid will be, and how it will in fact impact on specific countries like Niger.

The impact of shifting French opinion on Niger has been quite mixed. At the public level very little has changed. Public aid levels appear to have continued unaltered if insufficient to meet the escalating needs. Trade concession policies have been conducted almost entirely

through the EC, and as pointed out above have had little real impact, apart from the potential gain to Niger of the inclusion of uranium in SYSMIN. French public debt cancellations announced by Mitterand at the 1989 Dakar Franco-African summit, did lower Niger's debt service and total debt significantly. On the other hand, public elites have been powerless to affect private decisions, with one important exception. Despite public appeals, French private capital has virtually abandoned Niger in recent years, apart from the mixed enterprises which hold major shares in the uranium mines.<sup>47</sup> This situation has only been aggravated by recent attacks on French stores as well as on the American cultural center associated with protests against the government and its participation in the Gulf war.<sup>48</sup>

The only bright spot has been the successful conclusion of a private debt buy-out by the IDA Special Fund which paid off a consortium of banks predominated by french interests at the rate of 18 cents on the dollar, thus eliminating Niger's private debt.<sup>49</sup> Even the impact of this development may be viewed several ways, however. On the one hand, it may simply represented dealing with reality, writing off worthless debt that was over two years in arrears. In this vein it could symbolize the preparation for a further withdrawal from the Nigerien economy by the French. On the other hand, it could represent a continued commitment to the Nigerien regime with whom France maintain close ties in the uranium trade. Fortunately, or unfortunately for Niger, commitments of public actors, especially the French government, have been much more important than private decisions. However, given the emphasis on privatization, and the potential for increasing public impact on public policy in France as the foreign policy debate heats up, many feel that a shift in public aid priorities, probably toward European Europe, is virtually inevitable.<sup>50</sup>

### **OVERALL SITUATION**

Europe and Africa are in a period of transition whose ultimate direction is not yet clear. Thus far EC and French ald disbursements to sub-saharan Africa have not deviated from the established pattern. The French continue to vigorously represent sub-saharan interests in trade and aid discussions in the EC Council of Ministers. While the public debate over aid and the overall African connection continues to unfold in France, governmental policies have yet to change a great deal. The new conditionality is a return to the Socialist Party position of the early 1980s, and it has already had a significant impact on African regimes, and certainly on weak regimes like that of Niger. These reactions have been based more on anticipation than on real changes in French behavior. In the absence of expectation that the French will act to support "friendly" authoritarian regimes domestic public challenges have mounted. The message has been sent to African civil society that it can attempt to exert some power.

When the chips are down, however, how much will French policy really change toward key countries of greatest strategic interest to France—the countries of the pré-caré. Some argue that even under the current government those changes have their limits.<sup>51</sup> It still appears that France may act, with troops if necessary, to stabilize the situation, as it did in 1989 in Gabon.<sup>52</sup> Elsewhere, the Mitterand governments reactions to African human rights violations have been very restrained, as it was when the Saibou regime massacred Tuaregs in Niger in June 1990.<sup>53</sup> In the wings, not far from the seat of power in France are Jacques Chirac and the holders of another vision for Africa. Their vision defines a continuing French interest in Africa in geo-political "realpolitik" terms, defined in terms of strategic minerals, a defensive perimeter on the South shore of the Mediterranean, and as a long-term threat of political instability and mass immigration to France. For Chirac, electoral politics and multipartism holds more threat of disorder than promise of development. In the long-run, however, this view is no more likely to help Africa.

Should Chirac and a Rightist government come to power in France, we could expect a significant reduction of emphasis on political conditions. But the French Right is also the most likely to shift its economic priorities East, leaving authoritarian African leaders with even fewer resources with which to deal with internal unrest.<sup>54</sup> It may also decide to concentrate its resources in three critical areas of Africa, the Maghreb, Nigeria, and South Africa, at the expense of assisting economic development\* in much of the rest.<sup>55</sup>

The long-term prognosis of trends flowing from current French regime policies can be no more comforting. Private sector investments, particularly on the part of the French point to the deep underlying disaffection from Africa. In the absence of strong economic incentives, including growth environments in Africa, private capital is fleeing Africa at record rates. In essence, French and, to a lessor extent, other European investors are anticipating the end of a highly privileged economic environment in Africa as unified monetary and trade regulations make special relationships within the union, such as the franc zone, virtually impossible. Should the franc zone effectively cease to operate the central banks of West and Central Africa, the last major nonmarket incentive for French investment in Africa will disappear-ie. the free reparation of capital. With this will go, for good and for bad, a significant connection between Europe and Africa. For many a new French consensus is in the process of formation-one that will inevitably have its strong imprint on EC African relations. Whether under a "left" or "right" government, France may be forced to give up its broad commitment to francophone Africa, in favor of a much more selective policy. With such a decision, the options of a country like Niger will necessarily change dramatically. Niger's future leaders may no longer be able to count on French support, thereby reducing their greatest source of support and dependency. They, in turn, may be forced into a new regional and "southern" foreign policy which offers few comforts, but much prospect for change.

## **END NOTES**

- 1. Hugo Sada, "Les bons éleves de la démocratie," <u>Jeune Afrique</u>, 1540, July 4, 1990, pp. 24-26; Laurent Marcaillou, "Des dons très speciaux," <u>Jeune Afrique</u>, 1576, March 13, 1991, pp. 54-55.
- 2.Anglin Douglas "Southern African Responses to Eastern European Developments". The Journal of Modern African Studies, 1990, p. 431.
- 3.Claire Trean, "Coup de pouce des septs pour les reformes à l'est," <u>Le Monde Hebdo</u>, 2124, 13-19 July, 1989.
- 4. Jacques Amalric, "Plaies d'Afrique, <u>Le Monde Hebdo</u>, 2172, 14-20 June 1990.
- 5.Stephen Hessel, "Les Relations de la France avec les pays en developpement. " Unpublished report for the Office of Prime Minister, February 1990. See Jacques Amalric, "Plaies d'Afrique, <u>Le Monde Hebdo</u>, 2172, 14-20 June 1990, for accounts.
- 6.Sada Hugo "France-Afrique: un sommet pour quoi faire," <u>Jeune Afrique</u>, 1537, June 13, 1990, PP.16-22.
- 7.Andre Fontaine, "Un Entertien avec M Francois Mitterand," <u>Le Monde</u>, 2172, June 14-20, 1990. p. 7. Specifically Mitterand threatened to withdraw support for some of France's closest friends refusing to assure them of support against democratic movements. In one interview he stated, "nous ne cachons pas notre attente pour que s'affirment de veritables démocraties avec multipartisme, elections libres, respect des driots de l'homme, et nous encourageons les evolutions qui y conduisent."
- 8. Les bons éleves de la démocratie". <u>Jeune Afrique</u> July 4-10, (1540) 24-26.
- 9. Joseph C. Wheeler, <u>Development Co-operation in the 1990s: Efforts and Policies of the Members of the Development Assistance Committee</u> Paris: OECD, 1989, preface.
- 10.Christain Casteran, "Les Françis et l'Afrique," <u>Jeune Afrique</u>, 1538, June 20-26, 1990, p. 17.
- 11. Jean de la Gueriviere, "Une Cooperation teintee de morosité," <u>Le Monde Hebdo</u>, 2139, October 26 to November 2, 1989, p. 5.

- 12. See J. Adda, and M-C. Smouts. La France face au Sud:le mirroir brisé. (Paris:Kathala/CNRS, 1989); E. Aurillac, l'Afrique à coeur: la coopération-un message d'avenir (Paris: Berger-Levrault, 1987); Regis Debray, Edgard Pisani, Maxime Rodinson, "Les Bouleversements à l'Est et le devenir du Sud." Revue d'études palestiniennes, 35, Spring 1990, 7-25.
- 13. "African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation," United Nations Economic Commission for Africa (E/ECA/CM.15/6/Rev.3),1989.
- 14. For more detail on Niger and its foreign policy see Robert B Charlick, Niger: Personal Rule and Survival in the Sahel (Boulder: Westview Press, 1991); and Robert B. Charlick, "Niger's Foreign Policy," in Julius Okolo and Tim Shaw (eds.), The Political Economy of Foreign Policy in ECOWAS States (London: Macmillan, forthcoming).
- 15.Claude Freud, <u>Quelle Coopération: Un bilan de l'aide au developpment</u> (Paris: Karthala, 1988), pp. 30-40; Sada Hugo "France-Afrique: un sommet pour quoi faire," <u>Jeune Afrique</u>, 1537 June 13, 1990, p. 18.
- 16. John Ravenhill, <u>Collective Clientelism: The Lome COnvention and North-South Relations</u>, New York: Columbia University Press, 1985, pp. 66-67.
- 17. Ravenhill, Collective Clientelism, p. 304.
- 18. See John Ravenhill, "When Weakness is Strength: the Lome IV Negotiations," an unpublished paper for the ESCA Workshop on The European Community and the Third World October 1990, and as forthcoming version of this paper in <u>International Organization</u>. Ravenhill points out that the ACP share in extra-EEC imports had declined from 8% at time of LOME I to 4% in 1990, despite favorable access, and that the role of raw commodities in EC imports had fallen from 26% in 1975 to only 17% in 1989.
- 19. Jean Pierre Longellier, "Plaies d'Afriques," <u>Le Monde Hebdo</u>, 2170, May 30-June 6 1990, p 12.
- 20. This is not to suggest that franc zone states saw the franc zone as an unmitigated benefit. Numerous demands for reform had occurred, but most agreed that the advantages, especially for attracting foreign investment, were significant and could be jeopardized.

- 21. John Ravenhill, "When Weakness is Strength: The Lome IV Negotiations. Unpublished paper presented to European Community Studies Association Workshop on The European Community and the Third World October, (1990). A version of this paper is forthcoming in <u>International Organization</u>.
- 22. <u>Ibid</u>. Ravenhill points out that the French were so anxious to conclude the agreement under their chairmanship of the Council that they resolved the aid dispute by offering to increase the EC aid package unilaterally.
- 23. Claude Freud, <u>Ouelle Cooperation: Un bilan de l'aide au developpement</u> (Paris. Karthala, 1988), p. 19.
- 24. Catherine Flaesch-Mougin and Jean Raux, "De Lome III à Lome IV,"

unpublished paper presented to the European Studies Association Workshop on the EC and the Third World, October 1990.

- 25.Ibid.
- 26. Ravenhill, Collective Clientelism, p. 104 and p. 142.
- 27.EIU, Country Report-Togo, Niger, Benin, Burkina. # 3, 1990, p. 30
- 28.It all depends on the currency basis used for uranium sales. If dollar revenues are used for uranium as they are for oil Niger's revenues did not fall significantly because of the decline of the dollar against the fr during this same period. See Economist Intelligence Unit, Country Profile of Niger and Burkina, 1990-91, p. 10 and p. 24 for exchange rate and revenue data.
- 29. European Economic Commission, Council of Ministers, Annual Report of ACP/EEC Council of Ministers Brussels: various dates, most recent available report is the situation as of December 25, 1989.
- 30.Ravenhill, Collective Clientelism, p. 66 for a discussion on EDF disbursements in the earlier period.
- 31.As reported in the <u>Bulletin de l'Afrique Noire</u>, quoted in the Economist Intelligence Unit, <u>Country Report for Togo</u>, <u>Benin</u>, <u>Niger</u>, <u>and Burkina</u>, # 3, 1990, pp. 30-31.
- 32.As of December 25, 1989, European Economic Commission, Council of Ministers Annual Report of ACP/EEC Council of Ministers Brussels: 1989, p. 6.

- 33.It should be noted that the actual population of countries like Niger is far from certain, therefore making analyses of per capita aid highly problematic. According to the recently reported 1988 census Niger has 7.1 million inhabitants, a figure which some have suggested is inflated and which exceeds projections based on earlier censes and an estimated 3.1% growth rate.
- 34. Ravenhill, 'When Strength is Weakness," pp. 32-33.
- 35.Catherine Flaesch-Mougin and Jean Raux, "De Lome III à Lome IV."
- 36.Martin Guy "Uranium: a Case-Study in Franco-African Relations". Journal of Modern African Studies 4, (1989), PP. 634.
- 37. Adda and Smouts, La France face au Sud: Le mirroir brisé.
- 38.Adda and Smouts, <u>La France face au Sud</u>, p. 330, from an article by Jean-Marc Kalfleche in <u>L'Express</u>, November 4, 1988, p. 54.
- 39. Adda and Smouts, La France face au Sud, p. 321.
- 40. Claire Trean, "Coup de pouce des septs pour les reformes à l'est," Le Monde Hebdo, 2124, 13-19 July, 1989, p. 5.
- 41.Andre Fontaine, "Un Entertien avec M Francois Mitterand," <u>Le Monde</u>, 2172 June 14-20 , 1990. p. 7
- 42. Hugo Sada et al. "Interview avec Stephen Hessel, Il faut réviser, réformer, réflecher," <u>Jeune Afrique</u>, 1536, 11 June 1990, pp. 20-23.
- 43. Claude Freud, op. cit., p. 35
- 44. Ravenhill, "When Strengthen is Weakness," pp. 12-13.
- 45. The so-called "Project for Global Solidarity," designed largely by Chirac's Minister of Cooperation, Jacques Aurillac.
- 46.de la Guerivière, "Une Coopération teintée de morosité, p. 5. It should be noted, however, that this constitutes the budget only of the Ministry of Cooperation—the "economic assistance" budget, not the far larger sums allocated to the Minister of Finance or to the Foreign Ministry. For a detailed discussion of French aid actors see Claude Freud, Ouelle Coopération, pp 29-40. Freud explains that the Ministry of Cooperation has responsibility only for the 36 countries of the french-speaking area (the FAC countries), and then only for budgetary support, technical

- assistance personnel, and support to bilateral projects. Aid to non-FAC countries has been expanding, and is handled by the Ministry of Foreign Affairs. Food aid and loans and other forms of support are handled by the Ministry of Finance, and are said to represent as much as 70% of total French aid. According to Le Monde the Ministry of Foreign Affairs budget for 1990 already reflects the shifting priority to Eastern Europe ("Le budget du Quai d'Orsay reflete la priorité accordée aux pays de l"Est," November 9, 1990.
- 47. Economist Intelligence Unit, Country Report-Togo, Niger, Benin, Burkina, #3, 1989, p. 21. According to a report by the Conseil des Investisseurs en Afrique Noire 82% of French private capital was repatriated from Niger between 1985 and 1987.
- 48.Gilbert Lam Kaboré, "Silence, on démocratise," <u>Jeune Afrique</u>, 1576, March 13-19, 1991, p. 14.
- 49.Laurent Marcaillou, "Des dons tres speciaux," <u>Jeune Afrique</u>, 1576, March 13-19, 1991, pp. 54-55. Sixty percent of the total private debt equaling \$108 million was french. The bank of France was the largest partner in this buy-out, contributing \$11 million.
- 50.Carol Cosgrove, "The Impact of 1992 on EC-ACP Trade and Investment." Unpublished paper delivered at the ECSA Conference on the EC and the Third World, October 1990, p 16.
- 51. Jean Francois Bayart, "France-Afrique: La fin du pacte colonial?" Politique Africaine, 39, September, (1990) 47-53.
- 52. Claude Wauthier, 'Démocratie, ''développement, '' ces mots pieges." Le Monde Diplomatique, 436, July 1990, p 4.
- 53. Bayart, <u>op. cit.</u>, p. 50.
- 54. Casteran, "Les français et l'Afrique," <u>Jeune Afrique</u>, 1538, June 20, 1990, p. 18.
- 55.Bayart, op. cit., p. 52-53.