

INFORMATION

DEVELOPMENT AID

ECONOMIC DECOLONISATION IN AFRICA

18/72 E

Two actions by the European Development Fund

More than a century ago the Dutch author Douwers-Decker, in his novel "Max Havelaar", wrote of the Javanese and their rice crop. He told how "strangers had come from the west", bidding the peasants convert their land and energy to other cultivation. Subsistence crops gave way to cash crops, the "bill-of-exchange economy" began, the cultivator came to live by the goodwill (or at the mercy) of the world market.

The colonial civilisation is dead, but it has left its aftermath. Too many newly enfranchised countries of the Third World are unduly dependent on a single crop. In too many the soil is tired with over-use, enfeebled by long neglect, exhausted by unchecked erosion. Methods of cultivation, however picturesque, are antiquated and uneconomic. There is an enormous need for equipment, still more for infrastructure, all of it calling for a big outlay in foreign currency.

Besides all this, there has been a shift in the economic balance. The cultivator of old, if he owned a ton of (say) coffee, could do pretty well in glass beads and enamel saucepans. His modern counterpart can do far less well in transistors (which he wants) and tractors (which he badly needs). Scanty earnings in foreign currency, which might have served at least for the beginnings of farm equipment, are having to be spent on importing food.

The European Development Fund

Though the problem is world-wide, its chief focus for the European Common Market is Africa, where 18 countries and offshore Madagascar, are associated with it, ⁽¹⁾ on terms which involve the acceptance of a considerable responsibility. Its instrument for this is the European Development Fund (EDF), to which the six member countries contribute. The Fund is renewed with the Association (Yaoundé) Convention, which gives it a normal period of five years; and the present allocations are from the third EDF, which continues till the next renewal, timed for January 1975.

Proposals for aid from the Fund come from the African countries themselves. The 3rd Fund, which began operations in January 1971, has already sponsored 119 decisions, allocating aid (mostly in non-repayable grants, but in some cases by way of loans on cheaper-than-market terms) for 310,263,000 Units of Account ⁽²⁾. Schools, road-building, hospitals and medical services, marketing arrangements, industrialisation and, more especially, agricultural investment have all been among the projects receiving EDF support.

Two of these projects, one for the Ivory Coast and one for Madagascar, have been chosen as examples of the way the EDF works -- in association of course with the governments of the countries concerned, and often in concert with other sources of aid -- in seeking solutions for the problems of the different countries. They are projects of different orders of magnitude, one involving aid of over UC 10 million, and the other less than UC 2 million. In both cases the rice crop is in the middle of the picture.

The Ivory Coast Project

The Ivory Coast project is outstanding because of its scale and scope. The EDF is providing a non-repayable aid of UC 10,335,000 (F. (CFA) 2,870 million).

-
- (1) In this article, the European Community (Common Market) is the Community of six nations before its enlargement on January 1973, and the African Associates are those of the same period.
 - (2) The Unit of Account (UC) for these operations is equivalent to the pre-Nixon dollar, equivalent at the time of this writing (June 1972) to \$ 336.857.000 (US) or 129.276.000 Pounds Sterling.

This is not the first time the Ivory Coast has undertaken action of a far-reaching nature with aid from the EDF. In 1965, it was granted an aid of more than UC 32 million for a programme relating to 32,000 hectares (about 80.000 acres) of selected palm groves required to diversify the country's production.

This most prosperous of the 18 Associated states is economically dependent on timber, coffee, cocoa and bananas. By African standards, this already represents quite a high level of diversification; but it has not come about by chance. Since 1965, the Ivory Coast has been steadily widening the range of its production resources, which had previously depended unduly upon coffee. Coconut palms have been added to the oil palm plantations, cocoa plantations reclaimed and cotton planted. As a result, in 10 years (1960/70) the production of export crops has doubled, and forest exploitation more than trebled.

Improvement in living standards

On the other hand, the Ivory Coast food production for its own requirements, has been rising much less rapidly. Moreover, the nature of these requirements is changing; for, with the bigger urban population and the increase in income, consumers have been giving up the starchy foods in favour of the more recherché cereals. In urban centres the rice consumption is rising faster and faster, and has now reached 70 kg per head per year.

In parallel with this, there are still disfavoured regions which have not yet had the benefit of the recent development of export crops. This is the case in the north, north-central and western areas, to the inhabitants of which the sky-scrapers of Abidjan are still only a mirage on a distant horizon.

The two-fold problem suggests its own solution. More rice must be grown; and the growing must be in the regions which have not yet enjoyed the benefits of the economic growth.

Demand for rice

The efforts of the last few years have raised the Ivory Coast rice production from 130,000 tons in 1963 to nearly 200,000 tons in 1970. The requirements for 1977 are, however, estimated at 320,000 tons.

It would be over-bold to try to cover the whole of this demand from home sources by 1977. The Ivory Coast authorities felt on safer ground in making their target a production increase of 95,000 tons, which will limit the annual volume of imports to 25,000 or 30,000 tons. The Ivory Coast will thus be able, if it thinks fit, to buy rice from neighbouring countries, which would thus be obtaining an increase in their outlets.

The objective of the general development programme for rice cultivation during the period 1972-76, has therefore been fixed at a production increase of 95,000 tons, spread largely over the northern Savannah areas of the country where the population will thus enjoy an increase in their cash resources.

The EDF is not alone

This is a very big programme, and the EDF has only been asked for help in financing part of it. The Ivory Coast government has planned to cover some of the operations from its own funds, and for the rest to ask for bi-lateral aid from Germany (dams in the Korhogo region), from the Diversification Fund of the International Coffee Organisation (irrigated rice cultivation in the Yamoussoukro region) and from the World Bank (irrigated rice cultivation in the forest zone of the west).

The EDF contribution, amounting to 2.9 billion CFA francs is, however, still the largest. It is also making contributions of a more fragmented character, such as the financing of the Sologo dam (120 million CFA francs) and this is to be completed by an additional 170 million CFA francs from the unexpended balance of the second EDF.

Planned action

The operation, big as it is, will be adapted to regional needs.

In the Korhogo zone, where the very dense population lacks suitable ground for intensive cultivation, the creation of water reserves, irrigation works and the organisation of the peasants, will make it possible to grow two crops a year on new land. Twenty thousand people will benefit from this.

In the Bouaké region, aerial photography shows an area of 50 km around the town of Bouaké, where some 1,000 hectares (about 2,500 acres) of land can be developed and turned over to rice cultivation. In the district of Odienné, water cultivation is practised over an area of 6,000 hectares on the alluvial plains of Niger tributaries. It is motorised. The operation financed by the EDF aims to double the cultivated area and increase the yield by improved utilisation of the material.

In other regions -- covering several thousand hectares, wherever the land allows -- rice cultivation will be combined with cotton, and productivity improved by the introduction of motorised and animal-drawn methods of cultivation. This will require the rehabilitation and reclamation of land, and the laying of service tracks.

In order to supply growers with selected high-productivity seed, a 140-hectare seed farm is to be set up at Dekokaha. This will produce 4,500 tons of seed for popularisation.

Finally, credits are provided for bringing in an agronomic research team to note any useful lessons from the experiment, and to train a competent and efficient staff, who will create a network of several hundred heads of zones, assistants and local organisers.

A State company

Before it was possible to embark on so large a programme, it was necessary to solve a number of problems in spheres as various as the marketing and price-fixing for the paddy and the rice, the processing of the paddy (unhusked rice), credit for the peasant cultivators, peasant participation in the execution and maintenance of infrastructure works, finance and a number of others.

The Ivory Coast authorities have set up a financially autonomous State company known as SODERIZ (Société pour le Développement de la Riziculture). It is to be responsible for the technical execution of the project, the organisation of the rice growers, availability of seed, fertilizers and material and the marketing and processing of the paddy. In all matters of credit, too, SODERIZ acts as an intermediary between the rice growers and the National Development Bank for Agriculture.

The Ivory Coast government, however, does not intend to give SODERIZ a monopoly. This would be contrary to its economic policy; and the private sector will, accordingly, be brought into the work of collection and processing. At the moment, however, the ten rice mills in the country all show a deficit and are a charge on the State.

Benefits of the operation

The development of rice cultivation in the poor Savannah regions will bring new resources, both monetary and in kind, to the local population. Very detailed economic calculations have been made by the Ivory Coast and EDF experts. Among the more spectacular is the indication that in some regions, where the money income of the growers is now only 2,100 CFA francs (\$ 8,2) per capita the increase could be in the range 275-400 %, while the total net income would increase by 84-128 %.

There is, however, nothing particularly meaningful in a theoretical calculation of the separate effects of agricultural investment, technical organisation and fertilizer and seed distribution. Those responsible for the operation are convinced that the general result will be future incomes for the affected populations, much more nearly in line with those in the "richer" areas of the Ivory Coast. These incomes, too, are thought certain to accrue in time because they will come from the sale of rice for a home demand which is steadily increasing; and therefore they will not depend on the hazards of the world market. Thus, by transforming these disfavoured regions into a rice granary, the Ivory Coast, helped by the EUROPEAN DEVELOPMENT FUND, is making its best endeavour to redeem two mortgages on its future -- regional imbalance and dependence on export crops.

MADAGASCAR -- Rice de Luxe

The operation financed by the EDF for Madagascar is of quite a different kind. Here it is no longer a matter of bolstering a subsistence crop, but of oxygen for the lungs of a specially dynamic export enterprise.

Madagascar is a country the vocation of which is rice growing. It has a total production of paddy of about 1.7 million tons. The big island is both an exporter and an importer of rice -- rice for current consumption is imported and de Luxe rice, which has long hard grains, is sold to Europe.

In the Marovoay plains, in the northern part of the island, the story is told of a peasant woman who found a rice ear with particularly long grains; and, in amazement at this discovery, she showed it to an agronomist. The latter hurried to sow this remarkable seed and found that it grew and multiplied. Thus 'Ali Combo' rice came into being; and thousands of tons now find their way each year to Marseilles, to be sold mainly in France as rice de Luxe.

On both sides of the majestic river, Betsiboka, the Marovoay alluvial plains have been growing rice since the beginning of the century. In this out-of-the-way corner of the Indian Ocean, where the sun beats down fiercely and only the abundant duck-shooting provides any diversion, a population of 55,000 people are owners of a valuable experiment in rice cultivation.

Until Madagascar became independent, this population worked the land owned by the colonists. In 1962, the French agronomist René Dumont, in his well-known book *l'Afrique Noire est Mal Partie* (Black Africa started badly) denounced the continuation of this neo-colonial system. The combination of the Metayage system and usually water rent and measuring, often, he wrote, bring the landowner's share of the total crop to 64 %, or even 69%. How could those who worked the land, thus deprived of adequate food supplies until the next harvest, be asked to invest their work in land improvement?

The era of decolonisation

Today we are in the age of investment and decolonisation. In 1964, the local authorities decided to form a Committee for Economic Expansion of the Morovoay (COMEMA) to deal with the problems of decolonisation. These are the re-allocation of land ownership, and the psychological and material difficulties in increasing production in the rice fields.

COMEMA is a company of mixed ownership, and has carried out an agrarian reform in its own way. The abusive metayage system has been replaced by a process of accession to ownership, in which several hundred planters are involved. COMEMA has bought the land from former colonists, undertaken the great tasks of water supply and soil preparation; and it distributes credit and material, sets up collective nurseries and gives the farmers a technical organisation. Pending COMEMA being granted powers to mill the rice -- which is one of its aspirations -- the crop is marketed as paddy.

The starving and exploited populations have thus been succeeded by planters with bank accounts who are sure of being able to buy their land over a very short period (1974-75 on the left bank). The golden age has certainly not yet arrived; but the first signs of a promising revival can be seen in the appearance of well-built dwellings, sewing machines and transistor radios in these marshy plains where the European visitor, so remote from his consumer civilisation, has the feeling of being buried alive.

The EDF aid

It is to this undertaking that the EDF has awarded another aid. It is "another" in the sense that the EDF has previously financed some 150 million Madagascar francs of aid for the purchase of material (tractors, pumps, sheds, transport material and waterway maintenance) and various technical studies.

On June 5, 1972, the Commission of the European Communities approved aid to Madagascar from non-repayable funds of the 3rd EDF, to the value of U.C. 1,764,000 or, 490 million Madagascar francs, for the development of the plains on the left bank of the Morovoay. Later, the EDF will be asked for further finance for a larger programme on the right bank.

It is on the right bank of the river that the biggest areas available to COMEMA (about 20,000 hectares) are located. The project for which EDF aid has lately been granted, is only the first part of a major re-shaping of the Morovoay rice fields. Over a present surface

of 2,700 hectares (left bank), which is to be extended to 3,200 hectares, modernisation is expected to raise the average yield per hectare from 2.4 to 4.3 tons of paddy by the fifth year. In this re-modelled zone, 7,200 people will be able to build up their resources through the greater productivity of their fundamental "tool".

During three quarters of a century, some of the small holdings on this land have been joined up with others; but these successive improvisations, marked as they have been by their age, are far from being rational for irrigation, drainage and up-to-date cultivation. The land, in itself so suitable for rice-growing, is now being remodelled to the point at which it can dispense with chemical fertilizers altogether.

This reorganisation will require large measures. Canals and drains need correction, miles and miles of new canals must be dug. A giant "tapping" system must be installed so that 3,000 hectares or more can be flooded or drained dry at will; and surfaces must be levelled to conform to the general norms.

These works will take time. While the land is having its face-lift, the peasants will receive unemployment benefit. By 1974-75, when most of the re-modelled area will be ready for cultivation, some of them will already have amassed capital enough to become owners of their land.

The 500 hectares of new cultivable area will also be worked in the new version of the metayage system. In these areas, too, COMEMA will own the metayage rights, amounting to a quarter of the crop (which agrees with the René Dumont figures). The new version of the system is that the proceeds are credited to the accounts of the individual growers, subject to a charge for management costs. These accounts enable each metayer to accumulate money to buy his land and obtain credit for family outlays, including home-building. By the end of 1970, the total in these accounts had reached more than 110 million Madagascar francs.

Not only does the soil thus return to those who till it, but it returns in a modernised and well-equipped condition. It only remains to hope that the Ali Combo rice of Morovoay will be well received in the European markets. And why, indeed, should it not? After all, it is rice de Luxe; and the chemical fertilizer contamination is not infinitesimal but non-existent.