EUROPE & AFRICA

Issues in Post-colonial Relations

odi

3374

CAcur/BA
x BA/CAcur

EUROPE & AFRICA

Issues in Post-colonial Relations

Texts of the Noel Buxton Lectures, 1980
Edited by Margaret Cornell

odi OVERSEAS DEVELOPMENT INSTITUTE, LONDON

ISBN 0 85003 075 7

Contents

Editorial Note

The Overseas Development Institute was invited by the Noel Buxton Trust to arrange the Noel Buxton series of lectures for 1980. The overall theme chosen was 'Europe and Africa', Europe being defined in the main as the EEC and Africa as the whole of the continent with the exception of the Republic of South Africa. To cover such a vast subject in the course of five lectures was clearly out of the question. ODI therefore decided to try to identify the five most important issues in the relations between the newly independent states of Africa and the old established nations of Europe, including among their number the former colonial powers.

We thought it right that the series should start with a lecture on the legacy of the colonial relationship, considering some of the economic, political, and social consequences of that relationship and, more important, some of the basic African qualities which both pre-dated and survived it. This was undertaken by Dr Richard Rathbone, a lecturer in contemporary African history at the School of Oriental and African Studies. It was followed by a study of the present contractual relationship between the EEC and Africa, involving mainly former European colonies, but also others besides, and formalised in the discussion of trade and aid co-operation agreements - the Yaoundé and Lomé Conventions. This was an obvious subject for ODI to tackle itself and Adrian Hewitt, who has specialised in this area during his period at the Institute and who was at the time advising a Parliamentary

Committee in a major enquiry into EEC aid policy, was invited to give this lecture. The strategic aspect of the relationship was clearly of importance, and this was covered by Colonel Jonathan Alford, Deputy Director of the International Institute for Strategic Studies. Xan Smiley, editor of the periodical *Africa Confidential*, tackled the companion subject of the present-day political alignments of the African states. It was seen as crucial that we should include what one might call a 'practitioner' among our more academic lecturers, and we secured Alastair Macleod-Smith, a director (until 1980) of Selection Trust Ltd, and President in 1977 of the Mining Association of the United Kingdom, who posed the provocative question 'Is the International Mining Industry necessary to Africa?'.

The lectures are presented here more or less exactly as they were delivered in London during the autumn of 1980. There was no prior consultation between the lecturers and the lectures are seen as a stimulus to thought rather than as a definitive treatment of the overall theme. It is hoped that their publication will spark off interest in what is one of the most fascinating relationships in the field of international affairs in the second half of the twentieth century, and that they will encourage readers to further study.

April 1981 *Margaret Cornell*

The Legacy of Empire

Dr Richard Rathbone

The term 'legacy' perpetuates the uncomfortable paternalism that in many ways characterised the formal and informal relationship of Europe with Africa. A legacy is a gift from beyond the grave and, whether it is welcome or unwelcome, the recipient has usually played little part in its accumulation other than perhaps by being polite to a tiresome aunt. What Africa is today is much more than a surviving relative in possession of a heap of bric à brac, or even a crippling burden of debts handed on by one who has died. The title of this piece presupposes that one can neatly excise some discrete portions of present-day reality which can be attributed to the eighty or so years of the colonial period and label them, as in an autopsy, as alien introductions. These distinctions are not at all clear-cut; Africa today is the product of a long dialectic between those aspects of its own native cosmologies, economies, societies, polities and cultures and those of others which have come, in one way or another, from outside. These external forces, which are part and parcel of the development of all societies other than the rarest of isolated communities, are not merely European forces. By contrasting Europe with Africa we are in danger of reifying in the latter something that is to a large extent a geographical expression.

Africa to be sure figured on one page of our school atlases, but it is an immense continent, peopled by an immensely varied set of societies with individual and frequently contrasting histories. The Africa that Europe encountered in the mid-nineteenth century was already the product of aeons of syncretic development as distinct African group interacted with distinct African group. It was, moreover, an Africa whose major extra-continental influences were those of the Islamic Mediterranean, influences which in no manner ceased upon European annexation. Africa is not then, and never has been, a hermetic universe peopled by identical people with identical historical experiences. Secondly, despite the residuum of racist ignorance which still stalks some otherwise reputable commentary, African societies, like all human groups, inhabited a world which they played a full part in changing constantly, not always in ways which they wished. African history is replete with all the dynamic of any other corpus of historical experience. That dynamic did not stop in its tracks the moment tricolours or Union Jacks were run up colonial flag-poles. On the contrary, the colonial period can only be seen (sensitively) as a process of interaction, even if at times one of the parties was far more materially advantaged than the other. It goes without saying that European intervention in Africa altered the history of Africa, in a set of directions which we can only guess at. But Africa itself directed the shape of a great deal of European activity on that continent; what happened then, what constituted the period of colonial rule, was not what either set of actors quite wanted. Like all periods of history it was composed of a complex set of variables interacting upon each other.

Thinking about what the present-day implications of that period of history are for Africa, we run headlong into the eye of an historical storm. That storm is a value-laden affair. To caricature it, there are those who argue that Africa might have avoided the depth of poverty that much of it suffers from today had there been no colonial period, or had such a period been characterised by a less predatory approach by Europeans, and so forth. Far to the right of that unprovable argument is an equally untestable set of propositions, namely that Africa benefitted from this interaction. Not merely in the interests of peace, I think I steer a middle course. In the first place, I regard Africa as only one of many areas touched and then transformed by the gradual expansion of what the American historian Wallerstein has chosen to call the 'modern world system'. Because of the chance conjuncture of a huge range of variables from birth-rates to climate, Northern Europe was the site of the Industrial Revolution which gave a new material edge to the much longer-term expansion of European merchant capital from the fifteenth century onwards. From that century onwards Africa had been part of that interaction and much of it to be sure has a very negative ring. The drawing of Africa into the Atlantic economy saw probably the largest movement of population in history before the nineteenth century, and the circumstances of the enslavement of African peoples are rightly seen as a moral and material disaster. But that process, brutal in all its aspects, did not destroy even the parts of Africa it touched most deeply. Man's remarkable capacity to adopt and to adapt is visible in the way in which Africa kept Europe at a distance. In West Africa in particular, Africans moved in to dominate the parallel legitimate trade. All the contemporary sources refer to the sophistication of African production and entrepreneurship.

In this period of merchant capital expansion we can perhaps talk about imperialism and see it usefully separated from colonialism with which it is often conceptually confused. Africa suffered from, and in some cases profited from, such expansion, as did other parts of the pre-industrial world. Although historians loathe the concept of inevitability, I personally see the expansion as an inevitable one. In no part of that pre-industrial world was there anything like a successful resistance to this slow process. And although much of that non-European world was never to become formally colonised, a great deal of it today can be characterised in terms of limited export-dominated economies, huge gulfs between the poor and the rich and so forth, in ways we associate with that most colonised of continents, Africa. The development in Europe of new ways of making things and then selling them, and the implications these had for the way that society was organised, spread in its revolutionary, destructive and constructive fashion throughout the world, and for many aspects of modern African history we do not need to over-emphasise the role of colonialism. Colonialism when it emerged most forcefully in that still contentious process we call the Scramble for Africa was, I believe, initially conceived of by the Powers as a mode of organising the commercial, technological and industrial thrust into Africa. It was designed to provide for national monopolies in the markets for African produce and to reduce competition in what Africans would be bound to buy in return. Being thus largely managerial in conception, colonialism is neither a sufficient nor a necessary condition in describing the transformation of Africa in the last hundred years or so.

I argue this not least because the ground-work, so to speak, of some of that transformation pre-dates colonialism by many decades. And that in turn, of course, conditioned the nature of colonialism as *it* unfolded. For example, the 400 years or so of contact West African coastal peoples had had with the Atlantic economy which was not solely a slave trade presented Europeans, at the period of the Scramble, with a set of societies very far from the Rider Haggard stereotypes.

Such peoples, to some extent Christianised, literate at the level of the élite, active in commerce, much travelled and knowledgeable about the interior, were to prove powerful competitors to the European commercial firms seeking to exploit the African market. Similarly their ranks provided the earliest professionally trained doctors, dentists, lawyers, clerics and schoolteachers. Indeed, their skills could be outflanked by competing Europeans only by the latter's use of the state, the colonial state, to discriminate against Africans in public and private office, in credit allocation by the European banks, and so on. Again, it was from their ranks that the earliest organised protest against the manifest partiality of colonial rule came. And this protest was powerful enough, from the early days of colonial rule and not merely from the zenith of mass nationalism in the mid-1940s, to limit the ambitions of colonial policy. Moreover, the skills not merely of this intelligentsia but also of many rural producers who had been supplying the market with dye woods, hard woods, palm oil, and other goods gave the colonial authorities the option of leaving economic expansion in the hands of an active and responsive peasantry. Thus the distinctive nature of British colonialism in West Africa, so very different from the pattern to be found in Central Africa or Kenya, for example, owed much to developments in African society which had very little connection with colonialism as such and which had been, so to speak, in the pipeline for several generations.

The cash incentive

It is uncontentious to say that the high expectations of ready profit and instant wealth which so excited some of the most ambitious imperialists of the late nineteenth century were soon dashed. In West African enterprise it is becoming clear that more traders went bankrupt than prospered. In other parts of Africa the assumption of the natural incentive of the market so beloved of Professor Friedman proved a false assumption. African economies and polities had the strength, resilience and capacity to deal with merchant capital on its own terms. With well-organised rural bases, Africans as consumers and producers could choose who they bought from and sold to, and could direct the periodicity of that choice. One of the prime targets of colonial intervention was that choice. African intercourse with European factors needed regularising, the latter argued. In many ways this was a decisive step. By putting ring-fences around spheres of influence, as it were, African trading options were indeed limited. The end of the free market undoubtedly disadvantaged Africans. It ushered in a long period in which European goods were proffered at prices untrimmed by the razor of competition. Because of the intervention of a variety of European goods some aspects of the traditional craft sector were eclipsed. Birmingham-made steel machetes were cheaper for cutting down bush than those made by the local smith. Paraffin lamps were better for lighting huts in the long equatorial night than rush-lights, and matches were better for lighting them. The gradual diversion of specialist food producers into production of cash rather than food crops introduced European food and drink importation not as luxuries but as necessities. Holland's gin and sardines to some extent replaced distilled palm wine and tilapia. These needed to be bought not by older systems of exchange but by cash transactions. To acquire imported goods Africans needed to earn cash.

That incentive was enough to push many into the production of some of the major crops that come to mind when we think of Africa - cocoa, palm oil, groundnuts, pyrethrum, rubber, timber, and cotton. But it was, for the hungry European merchants, an insufficiently rigorous goad. Colonial rule intervened in this situation for two reasons. Firstly, it was, of course, sensitive to the proddings of commercial lobbies who sought to maximise their roles as sellers and buyers. But, probably more important, colonial rule itself had to be paid for. Despite the jingoism of those wonderfully bound volumes of the *Boys Own Paper*, it is the case that colonialism was popular in the great metropoles only so long as it cost nothing. If the British and French taxpayer were to be protected from the demands of colonial expenditure, such colonial revenue had to be raised locally. And it became a principle of all colonial régimes that colonial states could enjoy the services, benign and malignant, that they alone financed. Thus tax was levied on the export and import of goods to Africa and, most important, tax was levied, in cash, upon Africans themselves.

The option of producing for the market or selling one's labour was no longer an option. Money had to be earned to pay tax, a tax which, *inter alia*, paid for the enforcement of tax collection. Colonial states themselves had the incentive for such action irrespective of the nudging of Chambers of Commerce. Their own maintenance depended not only upon the direct returns from taxing Africans but also upon an expansion of African production of cash crops and minerals, for only thus would excise revenue emerge.

The impact of this was an uneven as the wealth of Africa was uneven. Some societies, already organised along capitalist farming lines, enjoying good soils and decent communications, baulked at the cull on their earnings, as we all do, but survived. Whether they did so unscathed is another matter. The possibilities of accumulation were promptly acted upon even before colonialism by those with the power to accumulate. Taking advantage of market opportunity, those very often with what Max Weber called the 'monopoly of coercive resources' maximised their wealth by more repressive subordination of those less well-endowed. The process of stratification, which was not of course alien to pre-European Africa, was undoubtedly reinforced and and accelerated throughout the period of the New Imperialism and its handmaid, colonialism. Just as European peasantries lost their rights to common land, and pannage, and annual holidays, so too did the lower ranks of African society lose the local equivalents. Land, once the right of all kinsfolk, acquired commercial value and was sold to people outside the kin-group, for example. The slow and cruel process of rural proletarianisation is the other side of the coin of the creation of a rich farmer. The presence of a taxation system had a powerfully monetising effect upon human relations. The colonial state, moreover, in most parts of Africa reinforced harder class differentials. It supported the successful, for these were the essential producers of taxable exports and contributors to sterling balances. They were the innovators to whom was extended the limited amount of rural development assistance - new fertilizers, seeds, irrigation methods. The rich farmers became the rural creditors of the transformed countryside, lending against pledged small-holdings in times of trouble. Many major land consolidations were in fact achieved between 1929 and 1935, when small farmers were foreclosed upon. Thus, when we talk of the 'survival' of areas in which factor endowment was at least reasonable, we are talking about rapidly changing societies in which class and achievement became more important than the older values of kin-ranking and ascription. One could herald this as an opening-up of society but in reality it seems to have been a development in which more and more property became bottled up in fewer and fewer hands.

In poorer areas taxation proved onerous in the extreme. French West Africa, which, for all its huge physical size, was hectare by hectare infinitely poorer than British West Africa, witnessed large-scale migrations into the British-ruled areas both to escape tax and also to earn what was unearnable at home. Rural poverty, exacerbated by taxation policy, stimulated the creation in many parts of Africa of a pattern of oscillating migration to centres of employment such as large towns, mining areas and, in settler areas, white farms and enterprises. Where labour was more urgently required than revenue, as in South and Central Africa and Kenya, rural poverty was actually connived at by the state. Where rural self-sufficiency or something close to it existed, the prospects for labour recruiters looking above all for cheap labour were slim. The whole history of land allocation in South Africa, Zimbabwe and Kenya must be seen in this light. An expanding population of Africans was boxed into progressively smaller land areas, cut off from entrepreneurial activity by *Diktat*, and refused permission to grow certain lucrative crops where such cultivation competed with the less cost-effective European farming sector. This situation of induced proletarianisation undoubtedly enriched a very few powerful men in African society - certainly the landlordage of Kenya's Kikuyuland today owe much of their current riches and power to this policy; the vast majority ceased to be a free peasantry and became a landless working class, dependent upon migrant wages for the bare necessities. There is no doubt that the wicked caricature of this situation in today's South Africa can be dated not only to the land-reserving Land Act of 1913 - which the British government approved - but to other, earlier measures designed to sap the independence of heretofore self-sufficient and relatively prosperous people.

The cliché of the 'development of underdevelopment' seems to me to be especially pertinent in these examples. The mere formal termination of colonial rule has, of course, had little impact upon the cycle of dependence induced by such a crippling policy. Recent studies of southern Mozambique show very clearly how rural areas deprived for many years of young adult male labour have declined to the point where almost every homestead is now dependent upon a meagre but necessary migrant worker income. The case of Lesotho, once the grain basket of the south, is perhaps as stark. The Sotho have been boxed into a highland state in which soil resources have visibly declined because of over-cultivation, in which the typical family is female-headed and desperately poor, and where men spend their working lives on the Rand. The *canard* of the South African publicity machine to the effect that the Republic produces essential labour chances for otherwise poverty-stricken neighbours must be seen in the light of that deliberately created poverty amongst people who were, in the labour recruiters' eyes and those of the mine magnates, too damned independent. The vast gulf in earnings in Kenya, remarked on, for example, by the ILO team in the early 1970s, is also a contrived situation, a developed situation. Not only were the government-appointed chiefs of the colonial period supported in their development of landlordage but also, as supporters of the colonial state in the Emergency of the 1950s, they were further rewarded in the land-redistribution that was part of the huge population removals of that period. The vacation of much of the White Highlands following Kenyan independence left the race to the swiftest, and to those who had, more was added. It is a bitter irony that the struggle of the landless that erupted in the incoherent and doomed movements we know as Mau Mau and which remains much of the validating ideology of the dominant party in Kenya has yielded to those landless people very little in terms of tangible rewards.

European preferences have to a large extent moulded the present-day states of Africa in the forms we find them in today. The widespread dependence on single cash crops or extracted minerals, a dependence so desperately difficult to break away from, can often be directly seen as a policy consequence. In Central Africa today, Zambia's strategically uncomfortable dependence upon imported food items must be seen in the light of colonial preferences. Expenditure on rural improvement was minuscule throughout the colonial period, subordinate as rural areas were to the demand for cheap labour on the railways and mines of the copperbelt. Declining rural areas cheapened labour of course, but for independent Zambia the low world prices for copper are not matched by low-cost food imports. Throughout Africa the drawing of food producers from staples into initially better-rewarding exportable items like cocoa or cotton in part explains the expanding percentage of food imports in almost all African budgets. The modern state is caught in an inherited dilemma - debts need servicing in international exchange, plant and capital goods as well as most consumer goods need to be bought in the same coin, and thus export crops must continue to be grown. At the same time, the relative dearth of skilled manpower and available funds for improving food-growing capacity has a high foreign-exchange cost in terms of food imports. The complete lack of concern with diversification, as a protection against the decline in value of one staple, such as the fall in the value of natural fibres which has hit Tanzania so hard, is very much part of colonial economic policy, more I suspect through neglect than design.

That neglect was in part the product of an imperial logic which is denied to ex-imperial satellites. No dependency of any colonial metropole was designed to be self-sufficient. Each dependency, like regions of the metropole itself, had its own specialism. Part of the imperial logic behind annexation was an expressed need for markets, therefore the goal of industrialisation in dependent territories was an unlikely item on the agenda.

The concept of satellite economies - and I would argue that colonies were more than merely economic satellites, they were also cultural satellites - is a useful one. Part of the most significant reality African planners live with is that colonies were expressly non-independent, and not merely in the political sphere. Assertive and expressive as independence struggles were, their chances of independent destinies in the full sense of that word (which is of course denied many nations with richer economies than those of Africa) were small; they were as small in many cases as would be an independent English county. The interdependent nature of imperial relationships, while not for a moment suggesting that they were open-handedly mutual and reciprocal, is what lies at the heart of what is polemicised as 'neo-colonialism'. There remains something almost millenarian about the expectation of a state as minute and as impoverished as, say, Upper Volta, achieving any degree of 'independence' from its neighbours, let alone from France.

In this fashion, and of course in many others, the political economies of Africa - and more importantly the domestic economies of Africa - were changed over time. As I hope I have shown, attribution of colonial 'blame', while frequently tempting, can all too often gloss over longer-term reactions. The making of modern Africa's economics is a composite of the effects of the spread of the Western-dominated world economy, the imperatives of the colonial state, and the actions and reactions of the dynamic indigenous economies. To see it otherwise denies Africans any historical resilience and makes Europe almost god-like in its power.

The political dimension

I have stressed the transformation of economies because I believe that these are the key issues from which others stem. No less important were the political ramifications. Even before colonialism, new economic options had been responsible in some parts of Africa, as we have seen, for greater qualitative distinctions between man and man. Although not always tied to the European or Arab connection, there is a discernible link between the emergence of highly structured, militaristic and hierarchical states and the slave trade, for example. Part of that trade involved the importation of firearms and the new possibilities of property accumulation as well as a new stress on a warlike mode of existence. Even in the non-chiefly societies, the so-called acephalous societies of Africa so despised as 'anarchies' by Sir Richard Burton, new possibilities of wealth transformed political relationships from what theoretically must have been systems of complex co-operation into class relationships with all the attendant tensions.

The coming of colonialism, of course, robbed all African polities of sovereignty which, unaccompanied by the other ramifications which I have mentioned and will dwell on later, might have meant very little to the ordinary man. It is a temptation to romanticise the African past and to seek in it something like John Ball's sort of primitive and caring communalism. One of the proofs of the brotherhood of man, however, is the universality of man's inhumanity to man and I certainly do not view the pre-colonial rights of man as a more complied-with charter than it was in contemporary Europe or South America.

In general, colonialism looked upon African polities in two ways. To some colonial rulers the existence of large-scale political organisation was seen as a threat to European hegemony. This is particularly true in areas in which significant resistance had been mounted by such African states. They were often defeated harshly and dismembered, and the French historian Jean Suret-Canale does well to speak of the 'fin de chefferie' in Guinea, for example. In addition, we can also see settler antipathy, for understandable reasons, to the resistant potential of once powerful states - and the fates of the Zulu and Ndebele nations and many similar polities in South and Central Africa bear this out. Similarly there is a contrast in attitude, and hence policy, towards traditional polities between the colonial powers. The French republican tradition and a cherishing of centralisation and order meant that by and large short shrift was given to what the literature calls 'traditional rulers'. The British, respectful of the squire and his relations and seeking government on the cheap, practised in some parts of Africa a form of devolved administration known as Indirect Rule, that is, rule through established chiefs. The nonsenses of this are well known. The obstructive chiefs were replaced, and chiefs invented where there had been none. But the point I would seek to make is a rather less obvious one. African polities were destroyed as positively by such devolution as they were by outright dissolution by *Diktat*. In areas in which chieftancy was retained and used, traditional rule was set in aspic. What colonial rulers had discerned as past practice became law. Thus the reactive possibilities of traditional rulers and subjects, the possibility in particular of 'modernising' the traditional style, was foreclosed upon. When nationalism emerged the victims of African anger were as often traditional chiefs as the colonial regime itself. The failure of traditional polities to keep abreast of the wider thrust of economic and social change is for the most part a function of colonial naiveté. Deprived of the ultimate sanction of force - covenants anywhere without swords are but words - by colonial régimes, and deprived by statute of the option of rapid transformation, chieftancy was rocked from below.

I have presented this as a negative feature but, although we cannot know what would have happened in other circumstances, two examples of 'modernising' traditional polities are disconcerting, namely Ethiopia and Buganda. Moreover, as I view African nationalism like any other kind of nationalism - the activities of a modernising élite interested in fostering their own interests not least by the capture of the state - colonial dealings with traditional polities cannot be seen solely as negative. Inasmuch as the destruction of the ancien régime, with all its ascriptive and ritualistic controls and its tendency towards command economy, is the major target of nationalists, then the colonial state did the revolutionaries' work rather handsomely for them. Not only did it destroy much of the credibility and viability of chieftancy and traditional political order; it also reified the modern state predicated upon notions of Weberian rationality and indeed forced it down the throats of Africans. On closer examination the balkanisation of Africa becomes something less meretricious. Colonial rule created modern states out of myriad traditional polities. It certainly enlarged scale and, while the divisions it created are undoubtedly inhibitions to the formation of a greater Africa, a united Africa, the divisions of today are arguably much less atomised and ultimately much less divisive than an untouched series of innumerable African states would have been. This was a ruthless and heartless process none the less. Moreover, in its uneven treatment of regions, its favouring of some societies above others and so on, colonial politics created a good deal of the material circumstances which contribute to the divisive regionalism or ethnicity of today.

To some extent it follows from this that, when we look for the roots of the common absolutism and negation of human rights in Africa, we are not looking at a re-assertion of the pre-colonial political traditions. While in no sense condoning or excusing actions that have deprived friends of mine of their liberty and their lives, and continue to do little about the appalling conditions of large numbers of innocents, we need to see instability, violence and the absence of the writ of popular rule in perspective. Firstly, the political history of the world seems to say, to me at least, that the best protection that any aspiring democracy has from violence is a sufficiency of material wealth. Dearth has its own political style and the politics of poverty are seldom tranquil or gentle. That generalisation apart, there is something specific about the African present that we all too frequently forget. Although we are subjected to polemic about the introduction to Africa of the merits of Western democracy by colonial powers, we need to think about how that happened. Certainly such virtues were in the forefront of African education but in something of a vacuum. Colonial states were not democracies. Certainly right up to the eve of independence colonial states were highly autocratic. The modern states of Africa, colonial creations for the most part, were states in which the separation of powers, for example, was scarcely visible. The administration of Africa was a political administration, not a set of independent bureaucracies. Indeed, in parts of Africa local administrators were called 'Political Officers'. Any resemblance between the colonial pattern of government and the Westminster Model must be largely fictitious. The civil rights of Africans in colonial states were always severely restricted by comparison with those enjoyed by citizens of the metropoles. If one is therefore looking for linkages between the past and the present there is no need, in the political sphere, to see the Presidents for Life and the Generalissimos as action replays of the powerful chiefs of the deep past. The colonial tradition was an authoritarian one, where the sanction of force, emergency powers, imprisonment for political offences, censorship and the rest were not strangers. I stress again that I find such analysis in no sense exculpatory; at the same time, I deplore the smugness of our press which so often talks about the ways in which Africans seem to squander the political abundance they were heirs to. The nature of that inheritance was much less unequivocally glorious.

Social change

Socially, it must already be clear, Africa has undergone massive transformation. The decline of the domestic economy, that of the household, has been accompanied by an atrophying of older social relationships. Ties of kinship, ranking by age, and the reciprocity of such which some of our modern *communards* seek to re-establish in the Welsh hills have to a large extent been replaced by newer and less supportive identities. The old, the widowed, the orphaned are now 'problems'. Again, one can overdo the romance of the past, but most of us who have worked in Africa know enough old people whose past memories are not merely spurious, good-old-days stuff - a pint and twenty Woodbines and change from a sixpence. The breaking-down of the old order is perverse, though. It also has been meritocratic to some extent and in that sense could be seen as liberating. Similarly, it could be argued that the position of women in some areas has been significantly improved. But as ever the Lord giveth and the Lord taketh away. I would certainly see urbanisation as perhaps the greatest single social change in Africa. Probably something approaching 40 per cent of West Africans are now urban. Proponents of the bright-lights theory - the attraction of towns - seem blind to the reasons for it. The growth of landlessness has left many with no option other than the frequently fruitless search for urban employment. As poles of growth, towns alone offer significant job opportunities, yet urban unemployment almost everywhere is probably in the order of 50 per cent. Again, while towns enjoy the scant provision of modern amenities - hospitals, secondary schools and the like - they are also squalid, violent and, for many, tragic places. Unproductive areas, in that they are the home of massive bureaucracies - the state is the major employer in all African countries - and service industry in the main, they devour revenue raised by heavily taxed, rural export-producers, a policy which of course further contributes to urban growth.

But while such developments - the decay of the locality and the family, the burgeoning of towns - are not a set of strange phenomena to anyone aware of the repercussions of the Industrial Revolution, the people of Africa have yet to win for themselves a measure of amelioration in their appalling social conditions. They lack labour power; and the partly employed and unemployed have none. Their agitation serves only to increase that percentage of the budget earmarked for internal security. The depoliticisation of trades unions and their incorporation into the state apparatus had its origins in colonial labour control, but origins in this case go very little way towards explaining current realities.

Culturally the picture is a more mixed one. Much of the culture of the past has disappeared, supplanted by that of the global village. Much of the traditional that remains is inherently spurious - Senegalese dancers, Mobutu Sese Seko's troupe, dance directors and the rest. Although I do not like so-called 'airport art', it would be absurd to deny the artist his crust. Advancing literacy is destroying oral culture as it did throughout the West in the nineteenth century. But Africa has its J.M. Synges at the knot-hole of the pub-floor, its Cecil Sharpes and its Dvoraks. The great languages of English and French divide Africa sharply but have not destroyed vernaculars.

Both languages must, with Portuguese and Afrikaans, be considered African languages now; and great practitioners in the arts - Sembene, Achebe, Ngugi, for example - produce work which has international appeal. Literacy with its capacity to store knowledge and retrieve it has produced skills and capacities which are denied the pre-literate. But Africa is not merely the recipient of second-hand culture. As with all of the so-called legacy, it has Africanised it significantly - not merely in the language of, for example, much of Achebe's dialogue, but in the vibrant music industry of Nigeria and Black South Africa, in Sembene's films.

As a rather irreligious person, I sometimes find it hard to evaluate the obvious importance of the spread of two great world religions in Africa. Again, although orthodoxy is widespread, both Islam and Christianity have been significantly Africanised and syncretised. Under the head of culture and religion of course, the introduction in the colonial period of widespread Western education has had an enormous impact on the process of integration and indeed on far more mundane aspects of everyday life. Although the romantic in me deplores the diffusion of what has been nicely called 'Coco Colonisation', the sprawl of universal mediocrity at the expense of the excitingly original and particular, Africa's reception of the outside world has been by no means culturally slavish.

In sum, in terms of people's lives, the most precious commodity, the last 150 years or so have brought the most fantastic transformation to the continent. Indeed, the extraordinary rate of change, which many social psychologists in the colonial period believed to be almost fatally traumatic, has been handled with cool capacity by Africans. As I have stressed, much of that transformation was endemic in the spread of European-dominated trading systems and did not depend upon colonialism. At the same time, the particular shapes the changes have taken have undoubtedly depended to a large extent upon the nature of the colonial experience. In turn, that colonial experience was shaped by the particularity of the dynamic of the African societies it over-ruled. Both sets of protagonists made their own history, African and European, in ways few of them would have predicted. What is certainly true is that the colonial period is no mere temporary diversion on the great permanent way of African history. The colonial period coincided with and contributed to a period which has been for all mankind, and not only for Africa, one of quite remarkable and ungovernable change. Time has never flown so fast as in this last century, and although the graves of the victims of that rapid change are still being dug it is an exciting as well as a chilling story.

The Lomé Conventions: Myth and substance of the 'partnership of equals'

Adrian Hewitt

The British Government has recently ratified the second EEC-ACP Convention, signed in October 1979 in Lomé. So, barring any unforeseen shocks in the outstanding ratification procedures, the European Community will be locked for a further five years into a contractual co-operation relationship with sixty-one African, Caribbean and Pacific (ACP) countries in the Third World.(1) As a result, until 1985 at least the Community's development resources and attentions will be concentrated on the ACP countries.

The new Lomé Convention sustains an arrangement which began formally in 1975. Conventions are signed for five-year periods and the resulting relationship is said to be unique. Certainly no other major industrial power or would-be superpower has such a wide-ranging special relationship with the Third World.

But only with part of the Third World. This part fits well into the theme of these lectures, because, although the sixty-one countries include several small nations in the Caribbean and the Pacific, Africa itself accounts for no less than 97 per cent of the ACP population. On the other hand, the ACP's 300 million population is only a small fraction of the Third World as a whole.

The expression 'Eurafrica' is heard less often nowadays even on the Continent, but, viewed in the context of the dominant component represented by sub-Saharan Africa in the Lomé relationship, plus the special agreements concluded between the EEC and all the North African countries (with the sole exception of Libya), the idea of a mutually beneficial and largely exclusive relationship between the two continents still is endowed with at least a residue of political momentum. Two decades after the main wave of African decolonisation, we must therefore ask how the idea of Eurafrica came to be adopted as a major and enduring impetus behind EEC policy towards the Third World.

Although the Lomé relationship was the result of conscious political decisions and elaborate negotiations, I strongly believe that the groundwork for the special relationship was laid not only by design but also partly as a result of historical accident. When the EEC was formed in 1957, the eighteen African territories which later became associated states of the Community during the 1960s were still European colonies - mostly colonies of France, but also of Belgium and in one case of Italy. Even one North African French possession - Algeria, which in 1957 was constitutionally part of France - was added to the EEC's African portfolio under the terms of Part IV of the Treaty of Rome. It is significant that these African states did not elect to associate themselves with the EEC: lacking sovereignty, they *were associated* by a decision taken in Europe. Had the Treaty of Rome been signed a few years later, independent African governments would have been in a position to determine and bargain for their own type of relationship with this new would-be economic superpower. As it was, they inherited a formal economic relationship with the EEC which as independent states they merely endorsed during the 1960s - the first and second Yaoundé Conventions (1964 and 1969) were the result. Only Sekou Toure's Guinea declined the offer of association (though it too joined the ACP states in signing the Lomé Conventions later on) and Algeria distanced itself from formal ties with France and the EEC after a bloody civil war.

We are dealing here with a contemporary treaty governing relations between rich and poor in the 1980s, but it is important to have this historical perspective. Since Lomé is an EEC initiative - indeed one of its more prominent and substantial actions in any sphere of creative rather than regulatory policy - it is important to hark back to the policies which predominated at the time when the EEC was set up. At that time it was still French policy to create a Franco-African Community. De Gaulle was just returning to power - a de Gaulle who still, for a few more brief years, was wedded to the idea expressed in his 1944 Brazzaville speech of 'a France of 100 million people', a superpower to be formed by associating francophone Africa with the mother country. Official opinion was barely more progressive in the other countries of the Six. An example is Belgium's relationship with its African colonies. When in 1956 a Belgian academic, Professor van Bilsen, published a development plan for the Belgian Congo which proposed to groom the country for independence in thirty years, his report was received with incredulity in Belgian government and business circles. The Dutch did not count for much in the process of building a Community which was regarded primarily as a Franco-German affair, with the French allowed to dominate the nascent external policy of the EEC and the Germans performing the role of paymasters ever more effectively. There was no question of including the former Dutch colony of Indonesia in an association arrangement with the EEC; links with Indonesia were too remote in time and space, and the country was considered then as too much of a 'burden' for the young Community to shoulder. Small dependencies such as Dutch Guiana (now Suriname) could be catered for under the EEC umbrella, but ex-colonies in the 'wrong' continent (and this applied equally to ex-French Indo-China) could be left to their own devices.

In this way the die was cast. Exclusively throughout the 1960s and predominantly to the present day, the EEC's focus has been on Africa. The Indonesian case was no doubt an important precedent which prompted Harold Macmillan to agree in the early 1960s (when the UK made her first attempt to join the EEC) that Britain's ex-colonies in Asia would not be included in any special relationship offered by an enlarged EEC. Special status for the African Commonwealth members but only a 'Joint Declaration of Intent' for the Asian Commonwealth was the result of this undertaking a decade later. Other events show clearly the trend of EEC-Six initiatives towards Eurafrica. An association agreement was signed between the EEC and Nigeria in 1966. It was, however, never ratified, partly because of subsequent French military support for Biafran secession and recognition of the Biafran régime by an existing EEC associate, the Ivory Coast. In 1969 the East African Community states - Kenya, Uganda and Tanzania - signed the Arusha Treaty giving them trade access to the markets of the Six (but without financial aid). Mauritius even joined the EEC's associated African states before the expiry of the Yaoundé II Convention. Other association agreements with North African states blossomed during the 1970s. And when Britain negotiated, successfully this time, to join the Community, protocol 22 to the Treaty of Accession made it clear that a line had been drawn between the 21 Commonwealth countries which were 'associable' and the Asian Commonwealth states - often larger, more economically powerful but also including some of the poorest sections of the Third World - which were not. All the African Commonwealth states fell, needless to say, in the former category (though many were adamant in rejecting the 'association' tag itself) as did the small economies in the West Indies and in the Pacific area. Guinea-Conakry, as mentioned above, returned to the EEC fold, and the EEC's offer was extended to the remaining independent sub-Saharan African states - Sudan, Liberia, Ethiopia, Equatorial Guinea, and, later, to Guinea-Bissau. By the time the first Lomé Convention was signed in 1975, the EEC had substantially fulfilled its desire to paint the map of Africa red. I hasten to add that the metaphor is not misplaced - French cartographers used this colour as liberally as the British did in days gone by to denote their empire; paradoxically, the colour's other political connotation could be mischievously developed by reference to the fact that several African governments within the ACP - notably Ethiopia, Congo-Brazzaville, Madagascar and Benin - declare their allegiance to scientific socialism and in some cases to Marxism-Leninism, though this has yet to hamper economic and political co-operation with the EEC in the context of the Lomé Conventions.

The ACP grouping came into being during the shadowy period between Britain's EEC accession and the signing of Lomé I in 1975 (at a time when the Third World's most famous commodity cartel was first exercising its muscle on world markets). Conventional wisdom states that the ACP formed themselves into a group under the Georgetown Agreement,[(2)] and clearly there was a certain amount of concerted policy stemming from within these states. Officials from Nigeria, Jamaica and Trinidad-Tobago (as well as the Senegalese and other traditional African associate officials) were prominent from the earliest stages of the negotiations. The grouping was blessed by the OAU; it now has its own secretariat in Brussels - the larger Group of 77 has yet to establish such a permanent secretariat; and its establishment helped to ensure almost for the first time that economic problems were considered jointly by anglophone and francophone governments in Africa despite the fact that 'maintenir l'acquis' remained the principal objective of the latter; moreover, the injection of a Caribbean perspective into African relations with the EEC has proved highly felicitous. But because the ACP group was brought into existence primarily to receive special favours from the EEC - favours denied to the rest of the Third World - and because the selection and specification of the group was carried out by the EEC, the ACP are clearly a creature of the Community. The EEC itself dictated the exclusive form of 'partnership' it was prepared to offer - though this does not prevent the ACP from enjoying the risks and profits of the resulting voluntary association; it would certainly not be the first time that a dominant member of a business-like partnership selected his prospective associates.

Despite short-lived proposals to extend the scope of the Community's development policies more widely - the

Commission's 1974 'Fresco' being the key document,(3) only partly followed up by later initiatives on the part of the European Parliament - the ACP group has now become an historical fixture, at least until 1985. Any extension of membership depends on ACP volition but is subject to rules defined by the EEC. New members can qualify by having 'economic structure and production' comparable to that of the original associates. This is a weak phrase to cover a straightforward geo-political strategy. Thus in Africa, Zimbabwe was deemed to qualify; and Mozambique and Angola are constantly receiving overtures from the Community's Commissioner for Development, encouraging them to join the ACP. But what happens when an Asian country such as Brunei (whose economic structure and production is akin to Gabon's) achieves independence? Could it simultaneously make successful applications to join both the ACP and ASEAN? The answer is awaited with interest.

In fact, there is a considerable amount of diversity in economic and productive structures of the African ACP members alone. Nigeria and Gabon are members of OPEC. A few countries are emerging as manufacturing exporters - Mauritius and now Zimbabwe being among the more prominent. Others, such as Senegal, Chad and Burundi are near-monocultures. Within the ACP there may be as much economic diversity as there is between ACP and Latin America, or ACP and Asian developing countries. But the African bloc within the ACP has one distinctive feature. Their continent has been balkanised and consequently the individual governments lack the political muscle commensurate with Africa's population and resources; moreover, with the exception of a few minor products, their economic output does not compete with that of the EEC; rather, the production structures and export orientations of EEC and ACP are highly complementary. There is indeed material here for partnership, but we are still far from a self-selecting partnership of equals.

We need thus to address ourselves to the question: can there be an equal partnership of rich and poor, or strong and weak, particularly when the poorer, weaker partners are themselves divided by an action of the richer, even if that action consists in offering them special and exclusive favours? Despite the evermore jaded views of ACP spokesmen about the effectiveness of Lomé I, and warnings that 'yesterday's orthodoxy could become tomorrow's anachronism', and despite the fact that in 1979 the recession-bound EEC was inclined to be less generous to the ACP than when the Lomé Convention was first negotiated, Lomé II was agreed and no existing ACP member refused to sign the new Convention. But the euphoria expressed (no doubt misplacedly) in 1975 was lacking this time. Even Maurice Foley, a deputy Director-General for Development in the European Commission, admitted recently in London that the Lomé Conventions were 'a crude compromise' and only 'a partial response by the EEC to the world's needs'.(4) And there remains the nagging doubt - not only in the Third World - that the EEC, by conferring a fundamentally non-replicable special trade and aid relationship on part of the Third World and by encouraging the ACP to restrict the Community's own liberality towards the rest of the world (for instance, on the annual GSP offer), is using a development instrument - the Lomé Convention - to divide the developing world and to drive a wedge into the solidarity of the Group of 77. Commission president Roy Jenkins himself gave an indication of such policies in the first ODI Annual Lecture when he stated '"Southerners" will have to learn to resist the old temptation to think of themselves as a single bloc of the weak and the poor, whose problems are due to neocolonialist exploitation and who have to stand together to resist it'.(5)

We need to examine the substance of the special and exclusive co-operation contract represented by the first and second Lomé Conventions. Certainly the legal texts contain some unique features embodying *potential* advantages which are not offered to any other group of developing countries either by the EEC or by any other industrial power. Indeed, the fact that, five years on, the Lomé 'model' has not been adopted elsewhere is itself an indication of the gap between the mid-seventies rhetoric and the reality of North-South relations. The distinctive features of the Lomé contract are:

- guaranteed trade access to EEC markets for five-year periods: no formal safeguard measures have ever been implemented by the EEC
- a fixed amount of financial aid guaranteed for five-year planning periods, mainly for expenditure on projects but within this .....
    - an automatic compensation mechanism which pays out when ACP exports of raw materials are hit by involuntary factors (the Commission likes to draw a homely analogy with 'sickness insurance' and 'unemployment insurance')
    - provisions to assist the ACP countries specifically to develop their industrial base, arguably in return for some rather nebulous investment guarantees
- elaborate procedures for joint consultation - but not in fact joint management - on all aspects of the Convention
- the fact that the treaty is legally binding.

To test the substance of this co-operation contract, we need to examine the workings of Lomé since 1975 and to see whether the results have so far measured up to the spirit of the original offer by the EEC and in particular to discover where Lomé differs in its effects from any other donor/recipient relationship. Our reference point will be the objectives stated in the preamble to Lomé II (only slightly modified from those of Lomé I), in which the EEC and the ACP jointly declared themselves, *inter alia*,

> anxious to reinforce on the basis of complete equality between partners and in their mutual interest close and continuing co-operation in a spirit of international solidarity; resolved to intensify their efforts together

> for the development and social progress of the ACP states and to ensure the greater well-being of their populations; .... conscious of the particular importance of the agricultural and rural development of the ACP states and of the need to intensify efforts to that end; [and] anxious to promote the industrial development of the ACP states through increased co-operation between these states and the Member States.

Trade

A test of the substance of the contractual relationship must start with trade. The declared Lomé aim is to promote a 'better balance of trade' between ACP and EEC, though the meaning of this phrase is open to various interpretations. EEC-ACP trade is in fact already broadly in balance when measured simply in accounting terms, though the relevance for the EEC of a partial trading equilbrium with a particular group of suppliers escapes me, especially as the ACP represent only about 7 per cent of the Community's trade world-wide. For the first three years of Lomé I, the EEC ran a small but increasing surplus on trade with the ACP; as a result primarily of the change in oil prices in 1979, which benefitted only Nigeria, Gabon, and a few other minor ACP suppliers, this became a deficit in 1979. The composition of the trade has not changed (nor should one expect significant changes in structure over so short a period). Nevertheless, the potential offer on trade access to ACP countries in the Lomé Convention is highly advantageous compared with the offer under any other EEC scheme. Access to the EEC market is duty-free and free of formal quantitative restrictions, even for the few CAP-competing agricultural products, of which sugar is the most important; and here there are provisions attached to the Convention for limited levy-free access for raw sugar exports.

In theory, states can export all the originating manufactures they can muster into the rich EEC market and face no tariff barriers. But, of all developing countries, African states are closest to being pure raw material exporters. At least three-quarters of current ACP trade would enter the Community duty-free even without Lomé, and almost all the remainder would face only nuisance tariffs of the order of 3 per cent or so. Crude oil imports alone (which are of course duty-free) account for a quarter of ACP exports to the EEC, and a handful of other unprocessed commodities - coffee, copper, cocoa and cotton - boost the share to more than two-thirds. ACP countries are all net importers of manufactures, and many African countries have yet to make much progress in their import-substitution stage of development.

To illustrate the point about dependence on a single raw material export of interest to EEC consumers, the following African countries figure prominently in the lists of monoculture export-dependence (in the extreme cases the raw commodity in question accounts for over half their total exports). In the case of coffee beans, export dependency is highest for Uganda, Rwanda, Burundi, Kenya, Ethiopia and the Ivory Coast. For cocoa, it is Ghana, Equatorial Guinea, Cameroon, Benin and the Ivory Coast. In the case of cotton, Chad, Mali, Upper Volta and the Sudan are heavily dependent on the single commodity for their export receipts. For groundnuts, Senegal is heavily dependent, the Sudan and Mali also figure prominently. Dependency on sugar exports is more a Caribbean problem, though the Mauritian economy is dominated by sugar exports, unlike the continental African economies. Finally, switching to minerals, Zambia and to a lesser extent Zaire rely heavily on the export proceeds of copper and cobalt. For countries such as these it is guarantees of future access to markets for processed products, in particular those deriving from the raw materials in question, plus assistance to secure the resources to invest in such down-stream processing, which the ACP trust that the Lomé package offers. In other words, the test of the Lomé trade access provisions resides not in changes in overall trade flows - which are dominated by ACP exports which would face little or no tariff barriers even without a Lomé Convention; nor in the generosity of the offer on access to manufactured export products which the ACP cannot produce; but in the access provisions governing the 'awkward' commodities such as sugar, beef, textiles and clothing for which access to EEC markets would represent a real concession to the ACP, and in the dynamic interpretation of the trade co-operation agreements. Whereas the EEC governments seem to interpret the 'better trade balance' objective as simply 'more of the same commodities' to satisfy the existing requirements of European industry and consumers, the ACP take the objective in its dynamic sense as an undertaking to use the highly preferential trade access provisions (and, indeed the rest of the Lomé package: investment promotion, cheap finance, prior consultation on sensitive trade issues) as a means of promoting structural change in their economies, in particular to develop manufacturing and processing industries.

Seen in this light, however, the case of ACP textile exports, small though they may be, is highly discouraging. While all the rest of the world's exporters may have felt that the EEC market was gradually closing, the ACP states justifiably believed that the Lomé Convention would exonerate them from the new protectionism. But this has not been the case. Long before even Lomé I had run its course, Mauritius had been forced into a 'voluntary export restraint' agreement with the EEC on its exports of clothing. In practice it had to cut its textile exports by half, even though the EEC can still say it avoided invoking the Lomé safeguards clause by resorting to a so-called voluntary arrangement. Surely the EEC, in a spirit of co-operation, should desire that Mauritius diversify out of sugar? If Mauritius loses trade access today, how will other budding ACP textile exporters - Cameroon, Kenya, Madagascar, the Ivory Coast - fare tomorrow? Since a textile industry, first as import substitution, and then as an export sector, is often the first step on the road to industrialisation of a cash-crop-dependent economy, what is the future for manufactured exports from other ACP countries? What has happened to the spirit of Lomé? These were the questions on the lips of ACP officials when the apparently generous Lomé trade provisions were first put to the test. I would add one more: how is industrialising Zimbabwe to be accommodated into the special relationship with the EEC without presenting Mauritius-type problems on a much larger and diversified scale? The whole issue shows that 'investment guarantees' - long the stalking-horse of European interests during the Lomé II negotiations - have another face: what happens to governments and entrepreneurs in ACP countries whose 'guaranteed' market access is withdrawn after the productive investment has been made?

Aid

Our next analysis of the myth and substance of the Lomé Convention is in the field of aid - the provisions for financial and technical co-operation. The Lomé II Convention pledges a total of 4,542 million units of account - some £3 billion - as soft aid in the fifth European Development Fund for the ACP countries to cover the period 1980-85 (though there is no obligation for the EEC to transfer these funds in totality by the end of the Convention period). European Investment Bank hard loans are also available to ACP countries to finance bankable projects in certain sectors. I will not dwell on these aggregates, save to say that any pledge of grant or near-grant finance running into billions of pounds is highly significant and an important inducement, regardless of the ultimate outcome, to the *governments* which are eligible to draw on that pledge. Nor do I here want to argue the point that, compared with Lomé I aid, the ACP countries have secured a 51% increase at face value but a 16 per cent decrease in real terms and a 25 per cent decrease in real EEC aid per head of ACP population. What counts for the purposes of this lecture is that substantial amounts of soft aid are in some sense guaranteed over a five-year planning period: an important commitment which no other aid donor gives.

Instead I want to try and dispel three myths surrounding Lomé aid. First, that the EDF allocations to individual countries are secret. Second, that the Member States which fund the EDF play no part in the country allocations. And third, that the EEC only responds to ACP requests for aid spending, instead of determining the outcome and hence the overall direction of spending at least partly itself. These three points are all part of the larger myth that the aid resources pledged belong to the ACP states from the start. ACP spokesmen themselves like to harp upon this point, as if the equal partnership arrangements signify that, as soon as the size of the next EDF is agreed and the Convention signed, the aid funds are as good as transferred from Brussels to the ACP states. In fact, EDF V monies have yet to leave the national treasuries of the EEC Member States which finance the Lomé aid programmes. A visit to the financial controller of the EDF in Brussels earlier this year confirmed that even the first EDF (1958-63) was not yet completely disbursed!

The first myth - the secrecy surrounding the division of the Lomé aid 'cake' - can be easily dispelled. The 'programmable' part of the EDF - that part which is to be tied to specific development projects, ie by far the largest component, is shared out between the ACP countries so that each knows its individual aid ceiling from the EEC (a range rather than a single figure) before its indicative aid programme - which earmarks EDF aid to specific economic sectors - is drawn up. In theory, one ACP state is not supposed to know its neighbour's share. In theory, European governments have to keep their knowledge of the country allocations to a highly restricted audience - even though more widespread knowledge and earlier information can only enhance planning procedures and the competitiveness of subsequent tendering. In practice, indicative aid programmes circulate widely in business life on the Continent, and are treated as less than confidential between ACP states themselves. (ACP firms, too, can tender for project work and supplies in third countries as well as in their own country.) To give some idea of the results of the Lomé cake-sharing operation, I can cite some examples from figures published in the London fortnightly, *World Aid Digest*, for EDF aid allocations under Lomé II: Ethiopia is allocated the largest amount - from £74m to £85m; Madagascar from £44m to £47m; Ghana from £32m to £37m; Central African Republic about £29m; Botswana and Lesotho about £14m each; Gabon (whose government has since vociferously complained about its 'small share') £10.3m.(6) Nigeria, by far the largest ACP state, has so far been allocated almost no EDF aid at all, and under Lomé I indeed drew no EDF capital aid. It must be noted, however, that these indicative planning figures contain no guarantees as to the speed of execution of projects and hence the speed of transfer of aid funds; and secondly, that the share of the Lomé aid cake for any ACP country can be heavily influenced by non-programmable expenditure, notably the outcome of Stabex transfers, as the Senegalese Government discovered to its great advantage during Lomé I.

The second assertion I wish to question is that the Member States do not determine the allocation of aid funds between countries, and that this is solely the responsibility of the Commission. Take the case of the United Kingdom. Just under one-fifth of EDF expenditure is funded by debiting the UK aid programme budget; sums are transferred directly to Brussels twice a year, though the EDF does not form part of the EEC general budget. Is it reasonable to suppose that the Commission alone decides how to allocate sums approaching £3bn to an array of diverse ACP governments without reference to the governments providing these funds directly, without submitting to influence and pressure from those governments, and without (as is certainly the case with the EDF unlike World Bank and other multilateral bodies) any standard allocation criteria based on development needs or absorptive capacity? Allocation between countries for a donor's bilateral aid programme would be a highly political matter, albeit a domestic one. To pretend that the earmarking of £3bn of spending is left to a directorate of the Commission which is barely held to account in political terms would, I suggest be naive. It would be closer to the truth to say that some Member State governments are more adept at exerting their influence on the programmes than others: past EDF aid disbursements and the present list of indicative amounts for Lomé II reveal such a pattern. The claim that Member States can and should intervene later, at the stage when projects come before the EDF Committee, is very weak. By the time a project proposal reaches the EDF Committee, is has been allocated a niche in the recipient country's indicative programme; been designed, specified and appraised, largely by the Commission's own services. Only the most serious objections on the part of a Member State (and even here a coalition with other members of the Nine is necessary) would halt or even substantially modify the project. Moreover, EDF Committee rejection can still be overruled by a coalition between the Commission and the Council under the appeals procedure. Conspicuous for their absence in this discussion of decision-making powers are the ACP states' representatives themselves. They do not sit on the EDF Committee, despite the equal partnership arrangements embodied in Lomé. The failure to obtain the sort of project spending which the ACP had desired during Lomé I prompted them to press for a separate and jointly managed industrial development fund. The proposal aborted during the Lomé II negotiations, however.

This leads to the third myth - that the ACP states determine how EDF funds are to be spent, and that the EEC merely responds to ACP wishes. There is indeed a dialogue - notably during the programming exercises - and possibly this is a healthier and franker exchange of views than that of other donor-recipient relationships. But there ought to be no pretence that the ACP states are really equal partners when it comes to utilising aid monies. The paymaster calls the tune, lays down the rules and supervises their implementation; it could only be so since the paymaster can be held accountable by auditors[7] and the European public for what is after all an item of public spending.

The conventional belief that the ACP states determine and control aid spending can easily be tested. If one state were to ask for the whole of its EDF allocation as a programme grant or loan, for immediate disbursement, it would be disappointed. A proposal to commit EDF funds for a sugar factory producing for export (as did happen in the 1970s) or a new textile plant, also for export and especially one using purely ACP inputs, would now be turned down however strongly the ACP state argued that such a project was a priority for the country's investment programme. Even the myth that the ACP states award their own EDF-financed contracts ought to be demolished. True, the *national* authorising officer (usually a Finance Ministry official) opens the tender envelopes - in the presence of the Commission's delegate. But the *pre*-selection procedures (carried out by the Commission) are the most important feature here: if a firm is not on the shortlist, it cannot be selected as the 'economically most advantageous' tenderer; secondly, 60 per cent (by number) of all contracts do not reach the open tendering stage - they are awarded by the 'gré a gré' ('mutual agreement') procedure or by direct award; lastly, the nine Member States themselves insist on quota arrangements to share out consultancy contracts (though, curiously, not works or supply contracts). This is a restrictive practice which *a priori* precludes the ACP states from obtaining the best deal available for 'their' EDF expenditure for the sake of satisfying intra-Community business rivalry. It means that the ACP do not in practice award such contracts any more than they willingly voted 180m Eua from the Lomé I fund to finance the *Commission's* own Delegations in the ACP states or the annual three-quarters of a million Eua for the Commission's glossy publication, *The Courier*. It must be said, however, in defence of Lomé tendering procedures, that ACP firms are accorded a 10% or 15% margin of preference on works or supply contracts, an opportunity which few other aid donors offer and one which ought to be further exploited.

The Stabex mechanism is allocated just over one-tenth of total EDF resources. It is well-liked by most ACP countries, simply because it is a fast-disbursing item providing largely untied foreign-exchange transfers. But it is a myth to claim that it is an 'insurance scheme'. It is simply a novel but fairly arbitrary way of allocating cash to governments according to the demand fluctuations of certain commodity markets and the supply fluctuations of certain primary producing sectors in ACP states. As it happened, nearly 40% of all Stabex I payments went to countries which were major groundnut exporters; iron ore and timber were the products occasioning other major Stabex payments. As a result it was to countries like Senegal, Sudan and Mauritania that by far the largest part of Stabex accrued during 1975-9. Because minerals, other than iron ore in a particular form, are excluded, Zambia, for example, has no access ot Stabex drawings. The exclusion of tobacco means that tobacco-exporting countries (notably Malawi) cannot thereby gain an entrée into the Stabex fund. And those which do export the right Stabex-covered commodities have found the scheme to contain an inbuilt disincentive against processing their own raw materials, or, in most cases, against diverting their traditional export trade in commodities away from the EEC. The argument that development aid money was being used to fossilise trade patterns was heard among the ACP. Moreover, despite the highly complex rules for trigger and dependence thresholds, the Commission retained for itself considerable discretion in awarding Stabex payments, and at times engaged in some doubtful arithmetic: countries such as Chad and the (then) Central African Empire which failed to produce authentic export statistics for the relevant year nevertheless were awarded substantial Stabex grants for their export earnings losses on cotton, timber and coffee. Gabon received an $8m windfall during the Lomé II negotiations for losses on timber incurred way back in 1975, as a result of an application which the

Commission had turned down three years earlier.

It may be that Stabex II will be more rigorous, but the way in which the EEC has dealt with the minerals issue is far from promising. Being forced to respond to two different political pressures - demands from the ACP to include mineral exports in Stabex, endorsed by a declaration from Chancellor Schmidt that copper *would be* included in the new Stabex on the one hand, and for more secure operating conditions in Africa for the European mining companies on the other - the Commission devised a minerals loan facility called Sysmin or Minex with payments based on falls in 'production or export capacity' rather than simply on export earnings. No clear criteria as to how disbursements are to be approved - except, one suspects, in Shaba-type situations - have yet been evolved or, at least, published.

Joint institutions and legally-bound consultation procedures are a distinctive feature of the Lomé Convention. The fact that ministers from ACP and EEC countries meet annually in the Joint EEC-ACP Council to review progress under the Convention represents a healthy initiative: doubtful interpretations of the terms of the agreement could in theory then be thrashed out and decisions implemented immediately at ministerial level. The reality is somewhat different. No fewer than seventy sovereign states are eligible to send ministers (together with their officials). The result is a Babel-like atmosphere, worlds apart from a decision-making forum. One suspects that conventional donors conduct their lower-key consultations on a bi-lateral basis with greater success. Other, more functional EEC-ACP committess, such as the Joint Committee on Financial and Technical Co-operation, have yet to be set up, although they exist in the legal texts. Finally, one should be justifiably sceptical of joint consultation procedures if the sort of consultation which results in the price-fixing for ACP levy-free sugar imports is anything to go by. Will, moreover, the joint consultation procedures prevent the sugar protocol ('of indefinite duration') from withering away, should the EEC so decide?

To conclude this analysis of myth and substance, we must return to the positive aspects of the Lomé Convention. Every existing ACP state signed a second time in 1979, even if the negotiations generated a wealth of bad feeling. No ACP state has yet applied to join COMECON; it would be interesting to see whether its links with the EEC could remain intact if, say, Congo-Brazzaville were to do so. Zimbabwe has leaped to join and already proved to be a hard bargaining partner for the EEC. Nigeria emerges in a position of negotiating strength, having drawn virtually nothing from the fourth EDF and being barely dependent on the EEC's trade concessions; maybe it will use its muscle to lead the ACP during the current period. Senegal does well, especially on project aid spending and on Stabex, and has done so for the past twenty years. But so does Tanzania, according to current spending. Many European firms seem to like the incentives offered by the public spending facility represented by the EDF (the British Government is only now belatedly waking up to the fact that DG VIII is a major spending department); and few European producers have complained that ACP exports have impinged on their markets .... we are not dealing with the NICs.[8] Maybe, then, one hundred years after dividing Africa at the Conference of Berlin, Europe is helping to unite Africa once again.

Such a judgement would be too cosy. I feel I ought to end by referring to the views of some prominent ACP spokesmen. I have searched in vain for an official comment to the effect that the ACP group is being used as a Third World stooge. The A CP states declare their solidarity with the Group of 77 (which includes the OPEC countries) as strongly as ever. But I have heard two recent statements containing appealing imagery. The first is about how the ACP states view the reality of the Lomé Convention: 'whereas the EEC constantly pretends to be running a kibbutz, in fact it is running a bazaar'. (Euro-Arab Dialogue participants please note the dominant imagery.) Certainly some of the Member States seem to do well out of the bazaar aspects of Lomé, but the image is imperfect. Unequal exchange is not really a feature of bazaar life. And the Lomé relationship certainly lacks the dynamism of such business transactions. My second image comes from the Senegalese Ambassador, M. Sy. He recently claimed that, with Lomé, 'the Community is playing elegant football, but failing to put the ball in the net'. We are back to the familiar problem of myth and substance, verbiage and action, *Schein* und *Sein*, encapsulated this time in more homely and proletarian language.

To this I would reply that the ACP are asking too much - and that the EEC is now feeling the backlash of its own abundant rhetoric. Europe as a whole, let alone the EEC machinery, cannot develop Africa. Not only does partnership imply that Africa must contribute - and be allowed to do so - but also it must be emphasised that real development occurs only when African countries and their governments evolve and implement their own strategies. They should use their preferred consultative status to ensure that Europe acts in concert with their own priorities. Maybe they would have done better to offer *more* reciprocity in economic relations, the richer ACP countries contributing to the programme of resource transfers to their poorer neighbours in exchange for genuine joint managerial status. They might also look a little more critically at the efforts of their fellow OPEC members, including those of the Group of 77 outside Lomé, who are at least partly responsible for their balance-of-payments problems today.

The ACP states could also look at the small print of the Convention more carefully, and act on what they see. Zimbabwe is already exploiting opportunities to supply manufactures on EDF-financed contracts in third countries. The 'most economically advantageous' bid ought more often to be the one that generates employment opportunities at home in the ACP country itself. There is a protocol attached to Lomé II giving ACP nationals rights to employment and social security in EEC countries equal to those of citizens of the Community, which seems to be overlooked. At least it could be used as a bargaining counter. To end on the continuing metaphor, the ACP have been selected by the EEC as their second eleven, maybe for neo-colonial reasons; they have been given the right to call 'offside' should the EEC's generosity towards the rest of the Third World range too widely for their taste. Let us see them use these rights, and judge the results.

1. There were 59 ACP countries at the time of the signing of the Convention. Independent Vanuatu and Zimbabwe joined the ACP during autumn 1980.

2. Article 26 of the Agreement declared it open for signature from 6 June 1975.

3. 'Development Aid: Fresco of Community Action Tomorrow', *Bulletin of the European Communities,* Supplement 8/74.

4. To the Royal Commonwealth Society, 16 October 1980.

5. 'Europe and the Developing World', *ODI Review,* No. 1, 1979, p. 7.

6. *World Aid Digest,* Vol. 2, No. 20, 12 September 1980.

7. But not until Lomé II. Article 206 of the Treaty of Rome empowered the Audit Board (now the European Court of Auditors) to examine 'the accounts of all revenue and expenditure shown in the *budget*' and to 'give a discharge to the Commission in respect of implementation of the *budget*' (my emphasis). The EDF does not form part of the budget. The Audit Court has so far been

able only to make general reflections on EDF spending, not to give a discharge. But the new article 206a of the Treaty of Rome, amended after Lomè II was signed, expressly instructs the Court of Auditors to examine '*all* revenue and expenditure of the Community'. It is still not clear whether the Court of Auditors have acquired the right to give a discharge to the Commission's EDF spending, however. See the Court's Opinion in *Official Journal of the European Communities* C45 Vol. 24, of 4 March 1981.

8. Newly industrialised countries.

The Strategic Relationship

Colonel Jonathan Alford

I suppose it was quite natural for the International Institute for Strategic Studies to be asked to provide a speaker on the subject of the strategic significance of the African continent and I am greatly honoured to have been chosen; but, as Professor Joad always used to say, 'it all depends on what you mean by "strategic"'. I am not even sure what I mean by 'strategic'. It is perfectly possible to embrace within the term a very wide range of concerns ranging from, on the one hand, resource security and economic relations to, on the other, matters narrowly defined as of purely military significance. In short, the coinage is debased with overuse. I am singularly reluctant to be strapped into a straitjacket of things military for, if I were, I should have rather little to say. The European countries would find it quite hard to argue that their *physical* security is in any way connected with Africa except in the case of the Mediterranean littoral. Were this to be firmly in the hands of the Eastern bloc that would rather seriously threaten Europe's 'soft underbelly'. The significance of Africa, if it affects European security at all, affects it indirectly through resources - either because Europe depends, at least in part, on what comes out of Africa or because the geographical position of Africa has some significance in relation to the flow of other resources to Europe.

Dependence on minerals

I do not think it is for me to analyse the extent of Europe's dependence on African minerals, although one must make clear at the outset that the dependence is considerable. All that I would say is that I have rather great misgivings about the way in which many minerals are loosely described as 'strategic'. I have almost as much difficulty in applying the adjective 'strategic' to minerals as I do in applying it to Africa. If by 'strategic minerals' we mean those which are important in some way or another to the economies of the developed world, it is of course true that almost all minerals are 'strategic'. However, if we mean those whose denial in the short term would bring the West to its knees, there are hardly any. Of course we need chrome for alloy steels if we are to build jet engines, for example; of course we need metals from the platinum group for refining petroleum products; of course we need uranium ore for nuclear power programmes; and of course we need copper and alumina and zinc and the rest. But we could go on as functioning societies for a very long time without any more of these things. We could do much by recycling and salvage; we could do much by using alternative minerals for existing industrial processes; and we could do much by switching industrial processes altogether. We all could (and the US does) build stockpiles to cushion ourselves from short-run supply interruptions.

We *want* to do none of these things for they would be economically painful and their social consequences might not be inconsiderable. Some nations would suffer from denial more than others and so their vulnerability is greater. Some nations could buy their way out of trouble; others could not. Certainly the European countries are not unique in wanting assured supply of raw materials at an affordable price but, even in the totally unanticipated denial of *all* of Africa's minerals to the West, we need not crumple in the way that we would crumple if oil were denied to us. Here is a quotation from a recent US Congressional Research Service study:[1]

> In sum it does not appear that the West faces an imminent threat of interruption of South African mineral supplies. More importantly, such an interruption would not spell disaster; the entire Western World would not be shut down in six months and we would not be forced to revert 40-50 years in our standard of living.

In the hypothetical situation of total denial of African minerals, other deposits which are at present uneconomic to work would be developed. Prices would of course rise very sharply but I remain quite unconvinced that we would be brought to our knees by the denial of African minerals, uncomfortable though our lives would undoubtedly become. So I cannot bring myself to use the word 'strategic' in relation to any mineral except oil, preferring instead to use words like 'economically sensitive' or 'critical to industry' rather than the term which I would not like to debase by misuse. This is not, then, in my view, the strategic significance of Africa. Nor do I think that many African countries are in a particularly strong position to play the mineral card in their dealings with the West, although it is very likely that the mineral markets will exhibit considerable nervousness if the stability of parts of Africa is threatened. This was certainly true in relation to cobalt and the Shaba affair. Having said that, it is obvious that producers would wish us all to believe that what they produce is in some way vital to our security. We should not necessarily take those claims at face value. Steadiness under fire is a traditional military virtue which can also be a distinct political asset!

The case of France

Yet the desire of many European countries to gain or retain privileged access to African resources will be strong and could get stronger and so, before I dismiss resources altogether as a reason for calling the continent 'strategic', it is necessary to take note that, at least in the case of one European country, an equation is often made between access to resources and deployed military power. I refer, of course, to France and the rather singular manner in which France regards the deployment of military power in Africa as in some way contributing to its resource security. It is quite certain that many Frenchmen would regard the continent of Africa as a 'strategic' interest and that the forces which France currently deploys in some of its ex-colonies are seen as in some way contributing to France's resource security. The link is tenuous at best, and I tend to doubt whether it is possible to demonstrate conclusively that a particular deployment has ensured that a particular resource has continued to flow to France. But if that cannot be argued, there remains a less obvious reason for investing - at considerable expense - in garrisons in Africa. The argument runs like this. The francophone African states are led to believe that France would assure their security on request. If that commitment is to be made credible, France must be prepared to meet *every* request for help, for failure so to do would, by extension, cast doubt on the whole delicate structure - like the clock that strikes thirteen. And in return for that underlying sense of security, the francophone states are expected to accord a rather special priority to France as customer. This accounts for French intervention in Chad or in Mauritania - not because one can easily identify any specific French interest that was threatened in either country but rather because a failure to meet the call there would raise doubts about French willingness to meet future calls. Confidence would be eroded.

Now I think I am faithfully recording the rationale for French interventions in Africa and the continuing presence there of some thousands of French troops, who are, with the exception of the Cubans, the only foreign combat troops on the continent. I would simply say that I am distinctly sceptical as to whether and to what extent French interests have been furthered by their presence. It seems to me that a much more powerful reason for these countries to continue trading with France has to do with shared language, cultural and political ties and assured markets. Nor can it be argued very persuasively that such French military interventions as there have been have actually succeeded. Chad has been a demonstrable failure. The Polisario have effectively neutralised Mauritania despite French military support. There are serious misgivings in France about the French role in the Central African Republic. Only in Zaire is it perhaps possible to argue that France (with Belgium and the United States) did something useful in the short run, but if there is any permanence to the solution of the problem in Shaba it is much more likely to be because Zaire and Angola have agreed not to destabilise each other than because of the intervention in 1978. The record is distinctly mixed.

Given that the Organisation of African Unity tends to regard almost all outside interference as unwelcome and given that we seem to be living in a world where political stability can hardly ever be assured by military force from outside, I would seriously question the utility of France's military investment in Africa. Yet I must own to mixed feelings. I can certainly think of many more situations in which a military power is likely to be irrelevant than situations in which it is likely to be decisive, and yet I have to acknowledge that I am profoundly disturbed by the diminishing aura of Western military power and the respect given to the Soviet Union precisely because it has shown that it is militarily powerful and purposeful in Africa. Maybe we are, in the Western democracies, too hung up on ideas of what is right and just. Maybe we are, in many ways, overcompensating for our colonial pasts. Maybe we agonise too much about both the utility and the legitimacy of the deployment of military power. Perhaps it will ultimately be a question of investing in the same currency as the Soviet Union or losing such influence and respect as we retain in the Third World generally. Or is the Soviet attempt to increase its influence and, ultimately, control over more of the world doomed to fail? And would we be following the Russians down a blind alley if we attempted to meet them on their terms? The Soviet strength resides almost exclusively in its military power. Western strength is different but much more multi-faceted and Western influence may, in consequence, be more enduring. I simply do not know the answer, but I think I remain basically rather optimistic with respect to Africa for a number of reasons. First there is little evidence that Marxist ideology finds any real resonance in Africa. Second, the felt need by some African regimes for Soviet military support is essentially transient. Few regimes can endure for long under the kind of pervasive sense of threat that demands external military support. Third, the evidence seems to be that Russians are no better and often much worse when it comes to relationships with Africans than the former colonial powers. And last, what the Soviet Union has to offer outside the military sphere is of poor quality and ill-suited to African needs, whereas Western influence - whether in cars, Coca Cola, jeans, culture, language or music - is pervasive. Having said all that, and none of it is to the credit of the Soviet Union, other Eastern bloc countries - and particularly East Germany and Cuba - seem to suffer fewer of these drawbacks. And if we do view Africa as an arena in which East-West competition for influence is being played out, a more subtle and differentiated Eastern approach which keeps the Soviet Union in the background and leaves East Germany and Cuba to do the missionary work under some kind of division of labour is potentially more dangerous in terms of limiting Western influence and promoting that of the Soviet camp.

Like the great bulk of the African leaders - certainly like most of the sub-Saharan leaders - I would much prefer to leave Africa to the Africans and allow normal commercial, political and economic relations to work their own way. I certainly think the 'North' should be more generous despite the fact that these are not easy times. What is worrying is to determine the best form that generosity should take. I am sufficiently sceptical about aid in general to believe that it is generally misdirected and helps the wrong people in the wrong way but I do think that the sullen resentment of the exploited South against the relatively rich and relatively powerful North is a rich breeding-ground for Soviet meddling. If there are grounds for hope, it is because we seem to be learning from past mistakes. There are signs that aid is now being channeled into small-scale farming and business rather than into prestige state-run projects. The encouragement of the private sector seems the right way to proceed. The needs of many African states are obvious and I am myself entirely persuaded of the kind of logic used in the Report of the Brandt Commission and the truth of the sorts of things that Edward Heath has been saying about the need to dig ourselves out of recession by improving the purchasing power of states in the Third World.

Strategic staging posts

All that is almost but not quite a digression. If Africa has strategic significance for the West generally, and for Western Europe in particular, it is more because it is where it is and less because of what it is. It is where it has always been - lying astride Europe's principal trading routes. What has travelled along those routes has varied over the centuries; what travels along them now is oil. And it is the threat to oil - whether at source or in transit - which forces the West to look at Africa in a light other than the purely commercial. In a sense the great trading nations have always looked at Africa as something other than a market or the supplier of raw material. In the past, the need to go round Africa to the East meant that some European powers looked for secure way-stations which, in turn, had to be protected. Now we fear that the possession of airfields or harbours by an enemy would allow him, in war, to press on our jugular vein. Is that something which we need fear? Paradoxically I think we need fear it less than we did but for reasons which are not at all comforting. At one time the Soviet Union was largely blind over large parts of the globe. To attack unprotected tanker traffic between the Gulf and the Western Approaches, you must know where it is in order to direct your forces. To do that you used to need maritime patrol aircraft - identifying, plotting course and speed, and transmitting information to the naval units (surface or sub-surface) which are to intercept. And to allow such aircraft to cover the tanker routes you needed bases for them in Africa. So the Russians looked for and found Berbera in the Horn and Conakry in Guinea - with back-up perhaps in Luanda and Maputo. This gave them not full but adequate coverage over a substantial part of the routes. Surface vessels at sea or at anchor could then be directed to cut into the shipping lanes but, until the last few years, the threat could not be regarded as particularly dangerous for the Soviet Union lacked warships with the necessary range and flexibility.

Then came really large numbers of nuclear-powered Soviet attack submarines which could move submerged much faster than the tankers and which could remain on station for long periods submerged. These do constitute a very potent threat but they remain rather blind without aircraft to guide them or some other means of acquiring targets. The reason why I say that we need no longer worry too much about aircraft is because the Soviet Union is now deploying ocean surveillance satellites which make maritime patrol aircraft more or less redundant. The result is that the Soviet Union no longer seems to mind so much about air bases in Africa. When Sekou Touré denied the Soviet Union the use of Conakry in 1978 the Russians left like lambs. Further, the Soviet Union seems not to have minded greatly about the loss of Berbera, preferring instead (as a choice had to be made) the much richer prize of Ethiopia.

In general, it is necessary to make an unhysterical judgement about the value that the Soviet Union places on facilities which help in deploying naval power in distant waters. It would be wrong to assert that the Soviet Union would be prevented now from asserting a naval presence if denied all access to port facilities in Africa. It can, if it has to, manage quite comfortably without such access. Indeed it has developed a system of maintaining deep water anchorages and afloat support which allows it to sustain a naval presence quite independent of ports. Obviously it is convenient to be permitted access to facilities ashore for water, for leave, for fresh supplies and, to a very limited extent, for bunkering, repair and maintenance, but I think it would be wrong to argue that any of this is essential. It therefore follows that the Soviet Union is unlikely to be prepared to pay a high price for something it no longer needs very much. It seems to me much more logical to argue that the Soviet Union, knowing full well on the basis of its past experience that tenure is likely to be limited and at the whim of host governments, will tend to limit its investment in Third World states to what can be written off if necessary. Of course the need to deploy naval power was not the only reason for the Soviet search for facilities; fishing fleets are important to the Soviet Union and access was (and is) important for servicing aid programmes.

Nevertheless, I am arguing that purely military requirements for a war with the West do not now figure largely in Soviet calculations with regard to Africa. On the other hand, the need to be able rapidly to move forces, specifically Cubans, about, and to supply clients with military hardware at short notice, remains an important concern. At this stage I think it is worth making the point that the Cubans do not see themselves simply as the running-dogs of the Soviet Union. Cuba since its Revolution has always seen itself as having a particular destiny in Africa as a result of the African origins of the Cuban people and Castro's proselytising zeal on behalf of world socialism. Cuba's interests are coincident with rather than subordinated to those of the Soviet Union. But rapid movement implies a network of airfields for staging and delivery and ports. In this respect one can talk of 'strategic' staging posts through which this kind of force can be projected at a distance. It was not at all easy for the Cubans to move to Angola in the initial stages of that intervention. What this has meant is that the Soviet Union must search for friends in Africa who, on a contingent basis, would permit Soviet long-range transport aircraft to stage through their countries. Only one route would be tenuous and liable to dislocation. The Russians need at least two ways of getting to even the most distant parts of Africa, allowing also for local prohibitions on over-flying. Certainly one would expect them to be quite cavalier about obtaining such permission beforehand; they have quite often overflown without permission, but even they cannot afford to disregard local sensitivity entirely. *In extremis* protest can be brushed aside, but it is much better not to introduce additional political costs if that can be avoided. However, none of this is in the context of war with the West; it is in the context of what used to be called brush-fire wars. I see no reason to suppose that the Soviet Union will not seek to take advantage, providing the risks are low, of instability in Africa and may even promote instability if, in doing so, it serves to embarrass the West or to further Soviet interests. Furthermore the Russians must be in a position to support their friends, if they are threatened internally, by the rapid application of military power.

East-West competition

However, I still find it hard to believe that the Soviet Union senses that the balance of advantage in Africa has, over time, been on its side. It has lost as many friends as it has gained, some much more important than others - it has 'lost' Egypt, Sudan, Guinea, Ghana and Somalia fairly conclusively. It has perhaps 'gained' Angola, Ethiopia and Mozambique. In other cases it may not be at all certain where it stands - Libya, Zimbabwe and Algeria are cases in point. Given Mugabe's success and Nkomo's failure, it may well feel the loss of Zimbabwe. I am very reluctant to set out a score sheet of gains and losses, but the central point is important: the Soviet Union can have little confidence that some transient 'gain' can be translated into a position of enduring influence. The roots of influence are generally shallow and this is rather surprising given that the continuing existence of a white-dominated South Africa ought, on the face of it, to provide the Soviet Union with a standing entrée to Black Africa. As the natural ally of the forces of 'liberation', the Soviet advantage ought to be more pronounced than it is. It is a continuing dilemma for the West to know how best to balance diplomatic and trading relationships with South Africa against relationships with the Black African states; the leverage that a relatively rich and powerful country like Nigeria has over Western policies is not inconsiderable. What encourages me is that the Africans themselves do not regard their continent as a chess-board on which the East-West competition should be played out. It is not, to use the jargon, a zero-sum game in which every Eastern gain is a Western loss. Africans most profoundly wish to be masters of their own destinies with freedom to decide who to talk to about what. With all the difficulties that they certainly face in alleviating poverty, in welding feudal societies into nation states, they want to be able to distance themselves somewhat from East and West and to be the clients of neither. They are well seized of the truth of the Sri Lankan proverb: when whales are at play, it is the sprats who get hurt. They are, as Frane Barbieri put it recently in *The Times*, 'choosing not to choose'. Non-alignment as an idea and as a movement provides an alternative to joining either side. Alone, this would not be easy, but I do sense that the OAU is beginning to mature and so to provide the kind of forum in which mutual example and encouragement can sustain the smaller African countries in their desire for non-alignment. Quite how this fits into the Non-Aligned Movement as a global entity must depend on the direction taken by the movement. The indications for the future are again hopeful. The Soviet Union does not seem to have captured the movement despite - or perhaps because of - Fidel Castro's strident and partisan chairmanship for the current term. Rather, the majority of non-aligned states have demonstrated their desire to belong to a Club which is what it says it is. Certainly the West should take some encouragement from voting patterns in the United Nations condemning the Soviet invasion of Afghanistan. The non-aligned were, at least on that occasion, prepared to stand up and be counted. What is more worrying for the future of the non-aligned movement is who can take Tito's place as the upholder of principle.

Yet, despite the evident desire of most African leaders to maintain a discreet distance from both East and West, it will not be easy for them to insulate Africa from what is going on elsewhere. It seems inevitable that outside powers, conscious of their interests in Africa, will attempt to influence events there in directions they would regard as favourable. Indeed, there is no way that Africa can insulate itself from the world. Precisely what form that interference will take I am reluctant to predict but, for example, the future of Namibia requires the diplomatic involvement, through the United Nations Contact Group, of outside powers. The settlement in Zimbabwe necessitated the active military involvement of Great Britain and the Commonwealth. In the Maghreb the long struggle of the Polisario against Morocco involves the supply of arms to both sides. Libya has imposed a political solution on Chad by force of arms. The United States has recently negotiated the use of Kenyan and Somalian facilities for the Rapid Deployment Force and is developing a rather close military relationship with Egypt and both these sets of relations involve African states directly or indirectly in the affairs of the Near and Middle East. Precisely because African countries themselves - in various ways and for diverse reasons - seek outside assistance, whether for arms or political support, outside powers will continue to be involved in the destiny of many African countries.

By their policies, African countries sometimes are brought to depend to a most unwelcome extent on outside support. Ethiopia feels unable to resolve the problem of Eritrea by itself and, threatened by Somalian irredentism in the Ogaden, senses also that it cannot manage this threat alone and unaided. The list of unresolved issues between the states in Africa is long and many of them are very intractable. Some will lead to conflict. Given that the OAU does not yet look like being able to provide Africa with effective regional instruments of order, it is not yet the kind of supra-national African organisation which can both act to maintain order and to solve disputes or even to keep the peace where peace is threatened. That may come but is years away from being a reality. It is not even yet an effective court of arbitration for disputes, as we have seen in the case of Chad. Nkrumah's ideas for a Pan-African force are still no more than ideas. It would be too much to expect that kind of political maturity and readiness from the leaders of relatively young countries with no tradition of conciliation, and it is not for us in Europe to be patronising, given the fact that we have been singularly unsuccessful in resolving the disputes between Greece and Turkey.

Realistically therefore the involvement of outside powers in African affairs will continue, whether to keep the peace and protect nationals (as in Shaba), or to dispose of outstanding issues of devolving power (as in Namibia), or so as to present an image of reliability and supportiveness to friends (as with the French in Chad or Mauritania). The more that Africans can prove their ability to contain conflict and resolve disputes peacefully, the greater their justification for telling the outside powers to keep out of African affairs. And what also contributes to Western anxiety is the fear that in some way or other the outside powers may be drawn in to a messy quagmire, perhaps as a result of black/white conflict. That was what worried people about Rhodesia and could, in the future, worry people about South Africa itself. It is an essentially negative interest but quite powerful for all that, especially if black/white were to take on East/West connotations.

What is profoundly disturbing - and this is not confined to Africa - is the frequency with which states resort to arms to settle disputes. Not only does this ensure that quite disproportionate attention is paid to armed forces and to arms but it also raises the spectre that Western investment and interests will therefore be at risk, and this in turn can give Western powers an excuse to intervene or at least interfere. This phenomenon of the increasing resort to arms in the Third World is not easy to explain except by the simplistic syllogism that easy access to weapons means the likelihood of their use for aggressive purposes. While that does not entirely carry conviction as a complete explanation of the phenomenon, it does seem often to be the case that long-simmering irredentist ambitions are made to appear attainable once an effective military instrument is to hand. The point needs to be made that, whatever the *original* motivation for a regime to acquire arms - frequently to handle an *internal* threat (as with Angola and Zaire or Rhodesia) - circumstances change.

Indeed, some states are not finding it easy to dismantle a military structure once created. It took a long time and sensitive handling to reduce the Nigerian military establishment, and Zimbabwe now is faced with immense problems over the ex-guerrilla forces of Nkomo and Mugabe.

The record of the past is not such as to encourage optimism for the future in terms of the incidence of conflict. Let me predict that there will be conflict. The central issue is then whether and in what way Western European interests will be affected. Setting aside an obvious dislike of instability and unpredictability and a genuine humanitarian concern at the suffering caused by war, the only thing that need really worry outside powers is whether such wars will interfere with resource extraction and transportation. Obviously there will be commercial concern but it seems unlikely that localised conflict need generally lead to widespread political concern. In one respect only is there real cause for long-term anxiety and that is if the expectation of continuing and widespread violence were to make investment risks seem too high. Then it is possible that the infrastructure for resource extraction and transportation could be starved of investment funds leading, over the quite long term, to a reduction of supply. A lesser but also significant concern is that Western management could no longer be induced to work under conditions of grave political instability and, ultimately, in fear of harm.

There are those who would argue with apparent sincerity that the Soviet Union has a master plan to exercise eventually such a degree of control over Africa that it would be in a position to deny *all* African minerals to the West. Let me just say, as politely as I can, that I consider those fears to be exaggerated. I see no Soviet grounds for optimism in this respect. Just because the Soviet Union sees opportunities for political gain in Africa by limiting or excluding Western influence does not mean that it has any lively hope of winning that kind of control in Africa. The record of its efforts over the past few years may even be the result of its failure to gain influence elsewhere - for example in the Middle East. One could argue that it has been the need for the Russians to maintain in adversity the image of a dynamic anti-imperialist supporter of liberation movements that has driven them to try to pick up - at low risk - the allegiance of some African states, but there is simply no evidence to show that they would regard denial of African minerals as an operational goal or as an attainable objective. On the contrary, they have had to recognise that no African government of whatever political complexion can afford to deny itself the revenue to be derived from the export of minerals to the West - and no way that the Soviet Union could, by subvention, replace that revenue. The case of Angola is instructive. For some years now, the Angolan Government has been actively seeking Western investment and outlets for its oil and minerals, despite its attachment to socialism. Mozambique has surprisingly close economic relations with South Africa. Mugabe is under no illusions that it is Western money which is essential. I agree therefore with my colleague, Robert Jaster, who wrote, when reviewing a book entitled *South Africa in the 1980s*, 'South Africa seems to be an area where the USSR has chosen to stir up trouble without getting herself deeply involved'.[2]

As I look into a rather murky future, I am quite sure that Europe and Africa will need each other but I see the basis of that relationship as being commercial rather than strategic as narrowly defined. Nevertheless, it is likely that some African countries will turn to Europe for protection and assistance and weapons when faced with external or internal threats that they feel they cannot manage on their own. Sometimes - but perhaps less often - there will be a response. Other African countries, faced with the same kind of threats, will turn to the Soviet Union. This will tend to ensure that local instability will acquire a coloration which it would not otherwise have, and that is to be regretted but, until Africans can manage their own affairs without calling for outside support, it seems inevitable. However, it would greatly help to defuse local conflict if we are able to identify more accurately than we are prone to do the real causes of conflict instead of immediately identifying the machinations of the Soviet Union behind each and every outbreak of violence. This may not be easy, for it is not difficult sometimes to see Soviet meddling behind an increase of tension. At other times it may be the expectation that Soviet support will be forthcoming that encourages precipitate or aggressive moves. In fairness it is necessary also to point out that the initial moves precipitating a crisis have also come from elsewhere. The South African invasion of Angola in 1975 and the subsequent drive for Luanda was, in my view, singularly ill-judged for it tended to legitimate the Cuban involvement and certainly led to a massive increase in the Cuban presence; in the same way it was primarily the Somali invasion of Ethiopia which legitimated Cuban and Soviet support for Ethiopia in the eyes of the OAU.

But I stand by my initial assertion by way of conclusion. Europe's interest in Africa is not primarily 'strategic' as narrowly defined. It is not even primarily political for I sense that Europeans, unlike Americans, do not tend to see Africa as an obvious arena for East-West competition. Europe's interest in Africa remains primarily what it has always been - economic and commercial. I believe that it is best for Africa that it should remain so. Almost all the concerns that I have been speaking about are, *fons et origo*, related to resources, markets and trade.

1. *Imports of Minerals from South Africa by the US and the OECD Countries.* Washington, DC: US Government Printing Office, 1980, p. 11.

2. *Survival*, July/August, 1980, p. 189.

Present-day Alignments

Xan Smiley

Africa has long been the continent of the future. It has a huge land mass and vast coastline. It is enormously rich in natural resources and minerals, including strategic ones. Its population is growing fast - dangerously fast in many regions: to the industrialist, it is an immense potential supply of cheap labour. And Africa's many countries - to date, there are 50 member states of the Organisation of Africa Unity, which of course excludes South Africa and Namibia - provide a powerful voting bloc in world bodies, such as the United Nations.

Naturally the big powers are interested, for their own selfish reasons and sometimes for reasons of enlightened self-interest. There is bound to be superpower rivalry for the friendship of Africa. And it is a two-way process. The colonialists' energies, once directed into the pursuit of divide-and-rule among Africans, now go to outbidding rivals *in* Africa; while Africans are becoming increasingly adept at playing off the superpowers and former colonialists against each other.

Hence there is an endless struggle among the outside powers to determine the interests and ideologies of the individual African states. Are they pro-Western or anti-Western, leftist or rightist? The snag is that most Africans refuse, quite sensibly, to be categorised. Ideological considerations, the need of Westerners for classification, are often thought unimportant. More to the point, ideological labels can be pinned on and taken off with bewildering speed.

Over and again, both West and East have been led up the garden path, or rather the jungle trail.

Is it, for the outsider, worth it? Perhaps the pitfalls in Africa are beginning to outdo the windfalls. The resources are there all right, but in many countries the process of exploitation is extraordinarily difficult. In many countries, there just does not seem to have grown up the organisational skill to create political stability and economic prosperity: witness the many countries that have announced themselves as the future granaries of Africa. Sudan is the best known example. Contrary to popular belief, Tanzania, too, is blessed with a huge agricultural potential that lies untapped while the emphasis remains on social experimentation. According to President Kenneth Kaunda, his latest ten-year plan, called Operation Food Programmes, will 'raise Zambia to unparalleled heights of greatness' and make the country 'a granary of Africa and of the world'. Yet the soberer truth is that ten years ago Zambia was self-sufficient in staple foods: today it has to import massively from South Africa to keep its people alive. The failure to diversify the economy when copper prices were high, the failure to develop a buoyant agriculture based on the peasantry, have left Zambia in a sorry state. The development difficulties of Africa have often been underestimated. Africa has now been the continent of the future for an embarrassingly long time.

As far as the African people are concerned, continuing low expectations have been both an advantage and a disadvantage, enabling people to inure themselves quietly to the iniquities of life and thereby sometimes to live in peace but also thereby sometimes removing the urge to overthrow cruel or incompetent leaders. Zaire is a good example. For years, outsiders have been predicting President Mobutu's overthrow by his people or by his army: people, it is said, can no longer tolerate the maladministration, the shortages and high prices, their own suffering. Yet when things get rough in Kinshasa, they simply go back to the villages and live quietly on practically nothing. Which means, in turn, that many countries have a greater capacity for simply marking time, economically, than many outsiders would believe.

Africa's strategic value is also, I believe, frequently overstated. As I intend to show, the historic, regional, religious, and above all ethnic factors of Africa make the continent so complicated and its component countries so diverse that I see it as impossible for one superpower to dominate the whole of Africa. The Horn of Africa and Egypt, perhaps, as part of the Middle East equation, have a crucial strategic role: but even there the chances of the Soviet Union bringing the whole region under its influence look slim. As for the rest of Africa, to me it is like a political kaleidoscope: its political colouration is bound to change continuously. One of my correspondents for the newsletter I edit starts almost every article on whatever country with the words 'strategically vital and potentially mineral-rich'. There are no less than 30 African countries with a coastline. Most of them could provide naval bases. But if Benin is pro-Russian, Togo is probably going to be pro-American, as indeed they are. Even the strategic value of South Africa is open to question. Much of the West's oil goes round the Cape: true. But it also goes down between Mozambique and Madagascar, both said to be pro-Russian, and up past Angola. Whatever the status of Simonstown, the USSR already has the capacity for blocking oil supplies - if it is determined to risk starting a third world war. No, it seems to me that the global flashpoints closer to the USSR, in more volatile spots with larger populations and larger concentrations of sophisticated military and economic weapons, in Poland, in Yugoslavia, in the Middle East and Iran, are far more dangerous than anywhere in Africa, which is not, I maintain, an important part of the superpowers' strategic jigsaw puzzle.

Even if Africa is so complex that it is unlikely any one superpower would ever be able to dominate the continent, that does not mean the big powers will give up. The quest for pre-eminent influence, if not for a direct presence, is certain to continue. As in the nineteenth century - see Robinson and Gallagher's *Africa and the Victorians* - the need for prestige, for glamorous publicity back home, especially in France and the USSR, will ensure that the competition continues, even if the material, economic, and strategic rewards do not always seem to be forthcoming.

East-West alignments

A glance at some newspapers in the West - notably *The Daily Telegraph* - would suggest that the competition is already being won, hands down, by the Soviet Union. The Russian bear, it seems, is padding its way remorselessly down the continent, and in a matter of years will be ensconced somewhere on the Table Mountain looking down on Cape Town itself. I have warned against taking political labels too seriously. But even if one does a quick run-down of the supposed political alignments of the OAU's 50 member states, as judged by very rough criteria, the idea of a list of Russian political victories in Africa is absurd.

There are, as I previously mentioned, 50 recognised states in the OAU. The Western Sahara, as you know, failed by a bee's whisker to gain admission, while Réunion and - to a lesser extent these days - the Canary Islands are sometimes mooted as possible entrants. Namibia may soon be a member. Eritrea - who knows? - may one day make it. And presumably South Africa *will* sometime be included, perhaps as Azania. But to return to the 50: my list shows only eleven states which could be firmly listed as anti-Western. That is to say, in foreign policy they take a consistently anti-Western line, in the UN for instance. And they try - not always successfully - to break away from a dependence on the West in trade and development. But of the eleven, several are not notably friendly to the USSR, while some, such as Mozambique, are clearly looking increasingly to the West for trade and development assistance. On the other hand, no less than 30 of the 50 can be put fairly solidly into the Western camp, especially when it comes to economic matters. Of course, all countries in Africa, including Ivory Coast and Kenya, insist that they espouse some form of socialism. Who doesn't?

That leaves just nine countries more or less non-aligned. Some of them may seem odd choices. Algeria, for example, tends to vote with the USSR on foreign policy issues, but its economic links with France and the USA are so strong that I could not place the country wholly in the Eastern camp. Somalia, too, is difficult to categorise: virulently anti-Moscow entirely because of the ethnic quarrel with Ethiopia, Somalia retains scientific socialism as the official creed and, though desperate for arms from the USA, cannot yet be dubbed wholly pro-Western. Liberia is another oddity. Still tied in tightly to the USA in trade terms, there are signs that Sergeant Doe is flirting with Cuba, but Liberian society is still permeated with what one can call the bourgeois ethos, despite the soldiers' revolution. Chad and Uganda I have placed in the non-aligned camps because there is such chaos and confusion in those countries that it is impossible to say exactly who is running them. Chad, indeed, barely exists. On the basis that Obote's friends are calling the shots in government in Kampala today, then Uganda would still, I think, fall into the anti-Western group, though Obote insists he now has no international or ideological preferences. That leaves just three non-aligned countries: Zimbabwe, Tanzania, and Zambia. The first-named is undergoing a period of two or three years' consolidation by the ruling party: my guess is that only then, at the end of that period, will Prime Minister Mugabe decide upon his future course. Meanwhile he is fiercely anti-Moscow and dare not, at the same time, risk too much hostility from the white government in Pretoria. The leaders of Tanzania and Zambia are the most vocal articulators of non-alignment in Africa. Of late their statements on paper seem more anti-Western than anti-Eastern. Zambia, in particular, may now be the recipient of added friendly Russian attention, following Moscow's failure in Zimbabwe. But the economies of both President Kaunda and President Nyerere remain heavily dependent on Western finance institutions and aid agencies for their resuscitation.

Of the eleven anti-Westerners, most are hard to categorise. Libya, with its pan-Islamic fervour, can certainly not be counted as a stable Russian friend. Four of the eleven are island states outside the mainstream of international politics, though Seychelles does have a growing strategic relevance as the Indian Ocean increases its interest to both Americans and Russians, especially during the Gulf War. (The other three islands are Cape Verde, São Tomé and Madagascar.) Two French-speaking Marxist states, Benin and Congo-Brazzaville, retain remarkably friendly relations with France, which prefers - for example - to evacuate its Niger uranium purchases through Cotonou rather than through Algeria or Nigeria. The array of French cheese in shops in Brazzaville shows that links with the 'decadent old metropolis' have not been entirely cut. Guinea-Bissau, too, has been keen to extend links outside the East bloc, to France, the USA, and back to Portugal.

That leaves just three states in Africa with really close Russian ties: Ethiopia, Angola, Mozambique. Even there, the story is not simple. For a start, all three countries - especially the first two - are victims of complicated wars, which force them into military reliance upon the Soviet Union and/or its Cuban allies. If the wars ceased, relations with Moscow might become markedly cooler. And in the case of Angola and Mozambique, there has been a notable economic opening to the West. Angola's diamond marketing is still in the hands of the South Africans, de Beers, while oil exploitation is still generally an American affair. Mozambique's trade with Portugal and the USA is still much greater than that with East European countries. In Ethiopia, within the ruling Dergue, there is a continuing intense debate between a handful of pro-Russian ideologues, led by Captain Legesse, and those for whom nationalism rather than ideology is paramount. President Mengistu Haile Mariam is probably more aligned with the latter.

None the less, the three countries probably have a leadership for whom Marxist ideology does have a greater meaning than elsewhere on the continent, because of historical factors.

In Ethiopia, a number of pro-Dergue intellectuals in Addis are able to relate their revolutionary experience to that of the Russians: they both leapt with no intermediary phase from a feudal society, replete with emperor and a decadent over-privileged priesthood, to professed Communism. Both countries, furthermore, are beset with the problems of a revolutionary state presiding over a multi-national empire created by conquering feudal predecessors.

In Angola and Mozambique the relative depth of ideology was produced largely by the fact that many of the leaders' political education was conducted in Portugal during the fascist era, when the best organised oppositionists in the metropolis were often Communists with strong links with Moscow. In addition, many of the Angolan and Mozambican leaders are white or mestiço (people of mixed blood) for whom the more traditional weapons of a nationalist struggle - the harking back to old African ways, the whipping up of xenophobic emotions against the white invader - were clearly not so suitable. Hence a more thorough-going class (rather than race) analysis of the struggle was more attractive, and produced a greater loyalty to a non-racial revolutionary ideology.

What is especially interesting, in the broader context of Africa, is that even among the above-named three states - the only African ones to vote in favour of the USSR in the UN over the Afghanistan issue - there is the possibility of a liberalisation of the economy. This is especially so in Mozambique where President Samora Machel made his well-quoted statement that 'the state should not be required to sell matches'. The end of the Zimbabwe war and the rapid growth of old economic ties between Salisbury and Maputo could have a striking effect on Mozambican economic attitudes. Even in Ethiopia, the desire for the Dergue to settle compensation disputes with American and West European companies suggests an acceptance of Ethiopian needs for more commercial and development ties with the West, especially in agriculture. Angola, in the past two years, has been keen to increase economic links with the West. Even among the USSR's closest allies in Africa, and more so among those already more friendly to the West, there is a growing realisation that from the point of view of development assistance, the East bloc has far less to offer than the West.

Political systems

Most African states are authoritarian. To go back to my tally (and I must admit that, having warned against taking political definitions too seriously, I am being inconsistent in referring back to a sort of political score-card), of the 50 OAU states, sixteen are ruled by overt military governments, and another five by single parties with strong connections with the military who may have brought the party into power (here I include Mozambique; Algeria; the Comoros, whose government was lifted into being by M. Robert Denard; the Central African Republic, by courtesy of French paratroopers; and Uganda, thanks to the Tanzanian army). Seventeen more states are ruled under the one-party system, which varies widely in its application. What is noticeable is that even within the confines of the one-party state there seems to be greater awareness of the dangers of political moribundity, the dangers of the central committee becoming a self-perpetuating body of old sweats in the tightly controlled one-party state. In Kenya, Ivory Coast, Tanzania there has been a gradual widening of the list of candidates who may be elected to the national assembly. That is no startling opening-up of the one-party system. But, as populations become politically more sophisticated and more demanding, the need for a wider choice is more keenly felt. It is arguable that Zambia's political difficulties were really set off by the refusal of Kaunda to allow the late Simon Kapwepwe to stand for the presidency in 1978. Zambians, who probably would have voted for Kaunda anyway, felt cheated, and resentment against the all-powerful 24-member central committee, mostly men of the old guard bloated with privilege and protected by the personal political patronage of the president himself, has steadily built up since.

Over the past four years, the number of multi-party states has notably increased and now stands at ten. Of these, four can be called closed multi-party systems, where the ruling party tightly controls the limits to which opposition parties may go and which of them may remain legal. The four are Upper Volta; Senegal, where the key leftist movement is banned but where the other parties have some measure of freedom to criticise; Morocco, where all parties are strongly behind King Hassan over the Western Sahara and where the trade unions are firmly reined in; and Egypt, where the president's base among the military is still vital and where the last election was far from fair.

The remaining six countries have what I term open multi-party systems: Ghana where,none the less, harassment of Flight-Lieutenant Jerry Rawlings and his friends is threatening to destroy the frail political system; Mauritius, whose multi-party set-up does, from time to time, seem unlikely to last; Gambia, small and (till recently) peaceful; Botswana, which is lucky enough to have one of the more homogeneous populations in Africa; Zimbabwe, where probably most of the new ruling party are in fact opposed to the multi-party system (but there again they may change their minds); and Nigeria, where the year-old experiment is moving cautiously but impressively ahead, and must be the most important on the continent.

The standard and very powerful argument against the multi-party system is that, with most African countries made up of many different tribes, the open multi-party model degenerates into a series of tribal blocs, dividing the nation and reducing what little sense of real nationhood there is. In addition, many people opposed to the multi-party system, especially soldiers, say that poor developing countries cannot afford the time-wasting luxury of politicians quarrelling in public when the energies of a young nation should be strictly mobilised and better controlled by a small group of patriots whose industry is not diluted by embroilment in petty party politicking.

The Nigerians, however, have gone to great lengths to institute a system whereby no political party can be registered unless it has a nationwide, non-tribal composition (at the top, at any rate), and the president needs to win at least a quarter of the votes in two-thirds of the 19 states. In the upshot, of course, each of the five Nigerian parties does have a regional tinge to it, but the tribal aspect is mitigated by the need for alliances which results from the regulations mentioned. Indeed, the most striking aspect of the Nigerian election in 1979 was that ethnicity was still the key to the vote. There is a large, exploited, and poor urban population which might be expected to forge some non-tribal working class solidarity against the same fat political barons who dominated Nigerian politics nearly twenty years ago. Not a bit of it. The only party with socialist leanings, led by Alhaji Aminu Kano, did well in the north, where the *talakawa*, the poor, were able to lodge a strong vote against the old northern political establishment, which won the day on a nationwide level. But Aminu's party totally failed elsewhere. In general, poor Yoruba voted for rich Yoruba, poor Ibo for rich Ibo and so on. There was no sign of a class vote.

That is one of the main difficulties for left-wing political strategists in Africa. I know of no instance where class obligations have overridden ethnic obligations, except perhaps when blacks have united against the white colonialist and have temporarily forgotten their differences. Yet a common feature of governments, particularly left-wing ones such as Angola's, is the public playing-down of ethnic factors and the emphasis on class ones. The 'new person' in Angola, I have been told, no longer thinks along tribal or racial lines, because he/she has been educated into a realisation of the need for working class and peasant unity. Frankly, I find that view Utopian.

What is happening in Nigeria now, in fact, is a further move to sub-divide the country. Already there is a very delicate balance between - on the one hand - the president and his power at the centre, and - on the other - the 19 states, most of them (with one striking exception) enjoying some sort of ethnic solidarity among themselves. Now people are calling for more of a break-up and at the centre it is very difficult, for electoral reasons, to resist such a call. It will be fascinating to see whether Nigeria will retain its vitality and direction at the centre, while effectively allowing the growth of loyalties among smaller units all round the country and at the same time encouraging a national attitude towards the army, education and other important spheres of national life.

Federal systems, it is often roundly declared, do not work. But the most immediate political problems in Africa, it seems to me, are ethnic. The greatest problem is to allow ethnic loyalties to be given expression, while receiving direction from the centre. Attempts to suffocate or gloss over these ethnic factors often result in war and dangerous regional conflicts.

Chad is a good example. The country no longer effectively exists. There is absolutely no way, to my mind, having visited Ndjamene within the past year, that the Teda and other northern peoples can co-operate politically in a tight-knit unitary state with the southern folk, whose language, religion, history and culture give them no feeling what-soever of belonging to the same country. There has to be some form of federation. In fact, were it not for the pre-cedent that the break-up of Chad might set, one cannot resist wondering whether the various groups might not be better off in totally separate units. Similarly, it seems difficult to see how the problems in the Horn can be solved without greater acceptance, mainly from the Ethiopians, that they should cater for the sensitivities of ethnic minorities who find themselves, because of the quirks of colonial map-makers, in what they feel is 'foreign territory'.

One-party states often do attempt to cater for minorities, by dishing out jobs, by dispensing economic rewards, and by generally using political patronage to keep minorities quiet. But time and again, the minorities feel humiliated. Greater regional representation in a federal framework is a short-term way out, but all too often such schemes merely whet the secessionist appetite. It is difficult to see how Africa's ethnic problems can be solved. But in the past few years more states seem to be recognising how hard it is to blot out these difficulties.

Ideological conundrum

Certainly it is the depth of ethnic feeling which continues to make nonsense of so much thinking outside Africa in both East and West. All today's violent conflicts on the continent derive not from ideological differences but from historic, ethnic rivalries.

For years, much of the French press, especially *Le Figaro*, used to portray President Goukouni Woddeye, the Chad leader who hails from the north, as a Marxist and a Maoist. Since then, the 11 factions have all changed patrons at least once. Libya's Colonel Gaddafi has even backed southern Christians against Muslims. There is no ideology involved at all, least of all in Goukoumi.

In the Western Sahara, the Moroccans have tried to stir up Western sympathy by portraying Polisario as Marxist or Marxist-backed. Again, it seems to me there is no ideology involved whatsoever. Algeria's support for Polisario is occasionally confused by Algerian rivalry with Libya, which also backs Polisario. Morocco's relationship with Algeria is a curious one, in terms of international diplomacy. The USA has decided to give greater support to King Hassan because he supports the Camp David initiative. But Moscow, which is generally presumed to be pro-Algeria, in fact has massive investments in phosphates and fishing in Morocco, while the USA, which does back Hassan, also has massive interests in Algeria where it buys liquefied gas.

Applying East-West ideological criteria to the Horn is equally dangerous. The Cubans were key early backers of the Eritrean People's Liberation Front, against whom they are now helping Addis to fight. The Eritrean Liberation Front, the sister movement, is the less Marxist-oriented of the two, but is the one which is readier to do a deal with Moscow. Arch-capitalist Kenya remains on good terms with Ethiopia because of the country's shared suspicion of Somali expansionism, yet both Somalia and Kenya are being drawn into American naval plans for the Indian Ocean. All very confusing . . .

The problem of Shaba has produced equal gymnastics, defying all the laws of ideology. First the Katangese gendarmes worked with the big Belgian mining interests in the province, aided a little even by white Rhodesia. More recently, the Angolans, Russians and Cubans assisted the Katangese against Mobutu. Now Kaunda has accused some Katangese of plotting with South Africans to overthrow him. Not much ideology there.

Another good example is the foreign policy alignment of Burundi and Rwanda. In my list I put Burundi in the Western group, because in terms of business and political aspirations Burundi does look to Belgium and increasingly to France. In Rwanda, of course, Burundi is regarded as a mini-South Africa, where the privileged Tutsi élite - only about 15 per cent of the population - dominates the Hutu majority. But what happens in foreign policy rhetoric? The Hutu of Rwanda, where the majority rules, are strongly pro-Belgian and anti-Cuban and anti-Russian, refusing the Cubans an embassy; while the Tutsi elite in Burundi have Cuban doctors and Russian military advisers and take a far more 'leftist' line in international affairs. Yet it is again nothing to do with ideology, and all to do with regional Hutu-Tutsi rivalries.

Another confusing factor in the game of East-West political alignments is religion. Here it can be said that the revival of Islamic fundamentalism is hostile equally to East and West. Colonel Gaddafi does have a dream of a pan-Islamic belt running, under his tutelage, from Mauritania in the West to Sudan on the Red Sea, and his weapons are Russian. But the Russians would be foolish to view him as a reliable friend, let alone a puppet. (They both looked exceedingly foolish by backing Idi Amin in Uganda. Russian supplies flew into Kampala just 36 hours before the town actually fell to the Tanzanian army.)

The Muslim factor is becoming important in both Senegal and Mauritania. It may work more heavily against those leaders, like Senghor, who appear at home with the materialistic West. But it seems unlikely that Islamic movements can ever operate effectively with East bloc countries, which are still seen by many religious people in Africa as atheistic.

An interesting aspect of the Nigerian election, incidentally, was the possible conflict of Islam and tribe. Some people expected many Yoruba, who these days are probably mostly Muslim, to vote for the northern-based parties associated with Islam. In the event, it is clear that most Muslim Yoruba voted, as usual, along tribal lines, whatever their religion.

Yet another confusing issue in the ideological conundrum is the rise of black consciousness. As expected, in South Africa especially, the rhetoric of the black consciousness movement is anti-Western. Given the involvement of Western capital in South Africa, and the role of British imperialism in creating South Africa, all black nationalist movements in Southern Africa are bound to be anti-Western in tenor. But black pride as a political force is hardly anti-Western or left-wing *per se*. Temperamentally, many advocates of black consciousness, like Senghor himself, are conservatives, much happier in a Western milieu. Indeed, the exclusivist (ie blacks only) Pan-Africanist Congress (PAC) is virulently hostile to the multi-racial African National Congress (ANC) on the dual grounds that the ANC's strong white content undermines the blacks' capacity for freeing themselves and that the South African Communist Party, in which whites and people of Indian origin are prominent, is far too powerful. Leftists in the ANC consider that the emphasis on colour in the PAC obscures the real issue at stake, which is the role of capitalism, not race, as the real creator of *apartheid.*

The question of black consciousness in the South African context could become important vis-à-vis East and West. Moscow heavily supports the ANC, which stresses multi-racialism and class. The Black Consciousness Movement in exile has itself run out of steam, but is much closer in spirit to the PAC, backed (less enthusiastically these days) by China. At present the ANC is far the better organised, is thought to have far more guerrillas under training, and is taken more seriously worldwide. But in the Soviet way of thinking, the failure of the Russians' protégé Nkomo in the Zimbabwe elections was a nasty shock, and illustrated the point that people do tend to place their vote along ethnic (and, by extension, probably race) lines. The blacks of South Africa, with a common enemy and heavily urbanised, are more likely than most to drop their ethnic differences. But the multi-racialism of the ANC could become a disadvantage at a later stage in the struggle, if there is a resurgence of black consciousness.

Amid all this confusion, it is not surprising that outside powers have a tough time in Africa. China views its alliances purely from the tactical viewpoint: it is quite happy to go on backing Zaire if that entails counterweighting the Russians in Angola. It is - though I have heard no solid evidence - even whispered that China gives a friendly wink to UNITA, along with the South Africans, against the Cubans. (Dr Jonas Savimbi was trained in China.) But by and large the Chinese have withdrawn from Africa.

The Russians have had by no means the record of success sometimes attributed to them. They have been snubbed and thwarted in Egypt, Mali, Guinea, Equatorial Guinea, Somalia, and now Zimbabwe. Their inability to provide cheap and effective development skills has meant that even socialist-leaning countries look less for assistance from the Eastern bloc. Where they score is their ability to bring in arms, and quickly, especially when the West - as in Angola - is in political disarray. As far as South Africa is concerned, the USSR can only gain when, as now, the West is caught in a dilemma: of official disapproval of *apartheid*, and massive investments in it. So long as that dilemma is unresolved, the USSR, by supporting the leading nationalist movement, the ANC, can only make the West look foolish and hypocritical in black eyes. At the same time, it seems that a growing number of African states no longer look upon the USSR with much admiration. Witness, as a recent example, Robert Mugabe in Zimbabwe.

The West, well entrenched in most parts of Africa through ties of history, language, and trade, is - I would say - gaining ground at the expense of the East bloc, whatever the anti-Western rhetoric of many states like Nigeria, for instance, which enjoys using its new muscle to put Britain in its place, but still looks to Britain for military and economic co-operation, and still values British traditions of relatively open government. France, in particular, despite often aggressive and risky operations involving it in internal affairs, such as those of the Central African Republic, continues generally to get away with it. As previously mentioned, relations with professedly Marxist francophone states like Benin and Congo tend to be much better below the surface. When old francophone stalwarts like Leopold Senghor and Félix Houphouet-Boigny retire, as they must soon, France will have to deal with a less cordial group of statesmen. But there is no reason why the special relationship should not continue.

Britain suffers through the weakness of its own economy and - like France - has a love-hate relationship with many former dependencies. But the resolution of the Zimbabwe problem and Britain's acceptance of the man it wanted to lose restored, in a strange roundabout way, Britain's reputation as a democratic country.

The USA's policy to Africa under President Carter showed greater feeling for African issues than was visible under previous American administrations. Again, if one is bent on viewing Africa in Soviet-American terms (and that is indeed one aspect of Africa) then America's gain must be the USSR's loss. But as I stated at the start of my talk, I do not think Africa is a crucial part of global superpower relations. It is too complicated a place, and the great powers are beginning to realise that alliances change with alarming speed sometimes in the guise of ideology, and that it is sensible to try to make money and friends there - but always with an underlying feeling of caution.

Egypt - if it can be counted as in Africa - is of great importance to the great powers on account of the continual Middle East crisis. Nigeria has a special place because of its size, economic muscle and its brave political experiment. South Africa, of course, is an ever-present headache, especially for the West. The rest of Africa *is* slowly finding out which forms of government suit it best. But it is not for the West or East to give lessons there.

Insofar as West and East may be compared, the West is well dug in. But it is not the end of the world if, here and there, Western countries occasionally get African egg on their chins.

Is the International Mining Industry necessary to Africa?

Alastair Macleod-Smith

In pursuance of the general theme of Europe (which I interpret to mean the EEC) and Africa, I have been asked to consider the relationship between the two continents in regard to minerals. Most of what I have to say concerns Africa apart from South Africa and therefore whenever the word 'Africa' is used subsequently it should be construed in that sense unless otherwise stated. There will be a short postscript relating specifically to South Africa.

By way of a start just a few figures to set the scene. The table below shows the percentage of UK and EEC imports of the main minerals coming from Africa. Zambia and Zaire are important suppliers of copper and cobalt. Ghana and Guinea are strong in bauxite and chromium. Liberia and Mauritania are the principal suppliers of iron ore and Gabon is strong in manganese. Morocco is a very important provider of phosphate and Togo is quite significant. Nigeria, Zaire and Rwanda are comparatively minor suppliers of tin and tungsten. There are no reliable published statistics of trade in uranium and diamonds, but Namibia and certain francophone countries are important in uranium. Over 90% of the world's supply of both gem and industrial diamonds comes from Africa; South Africa, Tanzania, Angola, Zaire and Sierra Leone are the main suppliers, but Ghana, which was an important producer of industrials, is now of rapidly diminishing importance.

African sources of UK and EEC mineral imports (%)

Metal	UK		EEC	
Aluminium	Ghana	7	Ghana	3
			Cameroon	3
Antimony	n.a.		South Africa	9
Asbestos	South Africa	16	South Africa	13
	Swaziland	13	Swaziland	2
Bauxite	Ghana	72	Guinea	18
			Ghana	4
			Sierra Leone	4
Cadmium	South Africa	9	Zaire	4
Chromium	South Africa	39	South Africa	31
			Mozambique	5
Cobalt	Zambia	57	Zambia	33
	Zaire	1	Zaire	24
			South Africa	7
Columbium	Nigeria	1	Nigeria	2
Copper	Zambia	29	Zambia	19
	Zaire	2	Zaire	20
			South Africa & Namibia	4.5
Iron Ore	Liberia	3	Liberia	16
	Mauritania	9	Mauritania	6.5
Lead			Morocco	6
			South Africa	4
Manganese	South Africa	31	South Africa	52
	Gabon	18	Gabon	24
Nickel			South Africa	5
Phosphate	n.a.		Morocco	44
			Togo	13
			Tunisia	4
Platinum Group	South Africa	41	South Africa	24
Silver	South Africa	3		
Tin	Nigeria	15.5	Zaire	6.5
	South Africa	5	Nigeria	6
			Rwanda	2
Tungsten	Rwanda	5	Rwanda	3
Uranium	n.a.		n.a.	
Vanadium	South Africa	55	South Africa	42
Zinc			South Africa	2
Zirconium			South Africa	2

The most glaringly obvious fact that emerges from the table is the dangerous dependence of both the UK and the EEC as a whole on South Africa for antimony, asbestos, cadmium, cobalt, manganese, platinum and vanadium. In particular, manganese, chrome, the platinum group and vanadium are strategically vital. Apart from South Africa, Africa generally cannot be regarded as a major source of mineral supplies to Europe, although its exports of cobalt, copper and phosphate are significant.

There is no doubt that the international mining industry is highly unpopular with the Third World generally and with Africa in particular. Part of this unpopularity is a natural reaction to the colonial era, but I believe this to be an influence of diminishing importance. The real trouble seems to be a natural and deep-seated psychological objection to having one's natural resources exploited by foreigners, and the transnational nature of the mining industry gives host governments an uneasy feeling that without draconian measures they are powerless to secure that the exploitation of their birthright is carried out to the maximum benefit of their own people. In order to escape this frustration they often try to build up their own organisations to take over the role of the traditional mining company only to find that this is a far more difficult and lengthy process than they originally envisaged, with the result that they continue to suffer the indignity of being forced to rely on foreign expertise to fulfil their mineral development aspirations.

These powerful influences have led to a continuous erosion of the terms under which foreign mining capital is allowed to operate. I do not accept the view put forward in some circles that agreements reached after the post-colonial readjustment are likely to be more stable. I can see no evidence that this is proving to be the case, at least in Africa. If host governments are unable to generate sufficient economic development outside mining to look after the rising aspirations of their peoples and their increasing populations, there is an almost irresistible temptation to turn again and again to the universal milch-cow of the mining industry if they are lucky enough to have one. Nor is there any let-up in the relentless political pressure to assume greater responsibility for operational management at the expense of the foreign manager's rights.

This process is very understandable, but it has the severe disadvantage that the mining industry has come to believe that in such countries the process of erosion of their rights is irreversible. Having been dealt one blow they have no expectation that things will get better in the future. This is the main difference in the climate of investment between Africa and countries such as the United States, Canada and Australia that enjoy vigorous developing mining industries. It is not true that these latter countries never take actions which the mining industry conceives to be contrary to its interests. Indeed, I find no evidence that these governments are any less nationalistic, chauvinistic and (from the point of view of the private investor) downright greedy than any others. They tend to exert continuous pressure to try to change the balance of advantage as between the mining companies and the State, but when they find that such pressure is counter-productive in that it is beginning to hinder investment, they draw back. This enables mining investors to take a long-term view of the investment prospects of these countries, and the long-term view, by the very nature of the industry itself, is the only view that can be taken. This point was clearly illustrated in the statistics which the Group of European Mining Companies prepared in their recent submissions to the EEC Commission. Figures of exploration expenditure in Australia during the Whitlam era showed no sign of falling off until right at the end of the period, despite the fact that this particular administration was regarded as hostile to the interests of the industry and despite a sharp falling-off of exploration activity by indigenous operators. This shows clearly that international mining companies, if they are convinced of the political soundness of a country, will not be put off by what they conceive to be temporary aberrations.

On the other side of the coin, however, exploration funds are notoriously volatile and they will be turned off very quickly if the investment status of a given country has for one reason or another to be downgraded. A spectacular example of this was the collapse of British interest in Iran in the early 1970s which was, I may say, in marked contrast to the sentiments about the investment climate of the country being expressed by the British Foreign Office at the time.

In view of these considerations it is worth examining whether it is possible to do without the mining industry as it is at present organised. Undoubtedly African political opinion and a large proportion of the international bureaucracy and the academic world that are particularly sympathetic to the Third World would be very pleased and relieved if the answer to this question could be yes. The traditional role of the mining industry consists of mustering all the technical skills required to find viable ore bodies; to evaluate them; to organise finance for their development; to supervise the development of the project and to provide the mining, marketing and training skills to run the project after operations have started. If we look at these functions separately, I think I would concede that it might be physically possible to bring an ore body that has already been found into operation with the help of international civil engineering contractors and consultants, particularly if a local mining institution of some competence exists. It might even be possible to carry out mining operations themselves by such means if they were by open pit. Underground operations would obviously pose a much greater and probably insuperable problem. Marketing and training might also be tackled through suitable consultancy arrangements. To carry out these functions without a recognised mining partner would, I am sure, be much more inefficient and less profitable than with one, but this is a price which host governments might well be prepared to pay.

Exploration

It is when we come to the problems of exploration, feasibility studies and finance that what appear to me to be insuperable problems arise. There are certain kinds of minerals, such as iron ore, bauxite, phosphates and coal, that arise in viable concentrations easy to find. Government-owned geological surveys do have some success in these fields and other successes have been achieved by outside consultants and UNDP programmes. But finding viable deposits of both base and precious metals is an intensely difficult task, and in practice there are very, very few people who are capable of carrying it out.

Explorationalists can be divided into two categories, the mine-finders and the rest, and the former are heavily outnumbered by the latter. Mine-finders are of two categories. The first is the individual prospector working entirely for himself; his importance tends to be overlooked, despite the fact that such men have had a profound effect on the economic and social history of countries like the United States. They are invariably individualists who are prepared to put up with great privation in order to obtain a profound knowledge of the comparatively limited regions in which they operate. Curiously enough, such men used to be not unknown in Africa; I can remember, as a young administrative officer in Nigeria, a minor gold rush being organised in the Western region of Nigeria by a group of European prospectors from the tin-producing area of the Plateau. It was about par for the course that this development was regarded only with embarrassment by a stuffy colonial government whose reaction to the fizzling out of the operation was one of relief rather than disappointment. It is inconceivable that such men would be allowed to roam Africa now and no encouragement has been given to Africans themselves to fill such a role.

This type of prospector has always looked to the mining company as the source of his pay-out and the relationship between the two has always been very close. However, such people are heavily dependent on surface manifestations and, as the easier targets have been found, their importance has diminished. Now successful exploration is mainly dependent on highly skilled inter-disciplinary teams organised and run by an experienced explorationalist of proven mine-finding capacity. A lot of the individuals comprising such teams would not find mines left to themselves. Geology seems to be a science in which it is very easy to become side-tracked into pursuing points of great academic but non-economic interest. Individuals with this kind of bent are certainly not to be decried; they carry out valuable work in university departments and in government geological surveys whose maps and reports form the raw material from which the mine-finder starts his campaign. The mine-finder has to be an absolutely single-minded searcher for intrinsic wealth and as an individual is, therefore, likely to be a highly economically motivated person. It goes without saying that he has to be a highly competent geologist, but also has to have an intensive knowledge of other relevant ancillary disciplines such as geophysics and geochemistry. The development of new technology such as satellite photography has only added to the complications of his job. He has to have the imagination to draw up the particular strategy that is required to obtain results in the particular environment in which he is working, but, in addition to this deep conceptual ability, he must have a very sharp eye for detail. The search for minerals essentially consists of the finding and interpretation of anomalies. The vast majority of anomalies shown up by the various techniques used are unproductive. The difference between success and failure frequently depends on someone noticing some seemingly insignificant discrepancy in the data.

The mine-finder must also be a good organiser and a disciplinarian, since his fundamental strategic concept must be served by his subordinates in the field reporting in a form that serves his purposes. On the other hand, he must be careful not to stifle the initiative which will surely be shown by those of his subordinates with the potential to become the mine-finders of the future when they have gained sufficient experience.

In short, a mine-finder has flair and the luck which goes with it. Very few people have it and those who do are unlikely to be interested in working for anyone but a mining company. Since mines can be found only at the expense of great intellectual and physical effort, those who find them have a natural interest in the on-going development of what they find and would have a strong aversion to handing over the results of their efforts to organisations which they perceive to be incompetent to make the best economic use of them. This is the main reason why I think it is difficult for consultants and UN institutions to recruit them. Moreover, the majority doubt whether they will get an adequate financial reward for their efforts outside the mining industry. There is a good deal of argument about the effect of financial incentives on human performance, but my own company, which in recent years has been outstandingly successful in the exploration field, is in no doubt of the value of share incentive schemes in motivating its exploration managers. The thought may be highly unpalatable to some people, but I think it must be faced that the precious human resource represented by the mine-finders is going to remain to all intents and purposes the single property of the mining industry, although that does not mean that they are exclusively employed by the larger companies.

Feasibility and finance

After the discovery of an ore body, we come to the so-called feasibility stage. This starts with the definition of the ore body and a measurement of its content. It is a popular misconception that an ore body, or for that matter, an oilfield, is a homogeneous and internally consistent mass. On the contrary it usually consists of a number of different envelopes of mineral concentration. These envelopes vary infinitely in shape, area and angle of dip. To define the geometry of these shapes is a highly complicated exercise, requiring great accuracy of drilling and some pretty complicated mathematics. One has to remember that these shapes, more often than not, are hundreds or even thousands of feet below the surface and are invisible. Moreover, the grade of ore within an envelope varies, usually by quite large margins, which further greatly adds to the complication of measuring the actual mineral content. As there are severe cost limits to what can be afforded in the way of drilling, the final calculation of ore content can at best only be an approximation, which goes some way to explain why the mining industry is such a high-risk business.

A reliable stimation of the ore reserves is absolutely crucial and is far from being a straightforward matter. Defining what constitutes ore (that is, what can be mined at a profit) requires an assessment of the economic cut-off grade. This itself requires an estimate of revenue and of mining and treatment costs, which in turn depend on a mass of interdependent factors; for example, the mining method and mining rate and also the depth that can be economically mined. Mining method and mining rate depend on the size and shape of the ore body which, to complete the circle, also depend on the cut-off grate. Likewise the cost of beneficiating the ore depends on the quantities treated and the metallurgical character of the ore. All ores differ and some are so complex or difficult to treat that only a proportion of the metal contained in the ore can be recovered economically. There is also the production and marketing of co-products and by-products to be considered, which in turn affects the economics, including the cut-off grade.

This complex interdependency of factors can require several iterations before the estimate of reserves is considered sufficiently reliable. Even then, after repeated geological and mine-planning studies and metallurgical laboratory and pilot scale tests, great uncertainties remain.

The modern mining project may take from five to ten years to implement. During that period guesses have to be made about what is going to happen to currency fluctuations, cost inflation and metal prices. Since the capital cost of developing a modern mine is very high, and the trend in development technology is tending to make it higher, it can be readily seen that it is a very risky business. Everyone concerned in the finance of the project, whether they be governments, commercial banks, consumers, international institutions or equity holders, are ultimately totally dependent on the accuracy and skill with which the feasibility process has been executed. If it turns out to be seriously wrong everyone is in the soup and, in this respect, it is worth pointing out that the risk is much higher in cases where there is a comparatively modest surplus between revenue and operating expenditure, thus leaving only a small margin of error with which to take care of wrong forecasts of metal produced, of prices and currency and cost movements. I do not say that it would be absolutely impossible for ore evaluation and feasibility studies to be undertaken by consultants, but in the last analysis most commercial financial institutions, including such as the World Bank, wish to see a mining entrepreneur undertake this work on the ground that he is likely to be more hurt than anyone if he does a sloppy feasibility job. This is an area in which one has to concede that sheer fright is apt to have a highly salutary effect on the quality of human performance. For all these reasons I think one has to conclude that mining for both base and precious metals cannot be safely undertaken without the expert management of a mining company or consortium of companies.

Contracting

Some critics, while acknowledging this conclusion, argue that the right way of using the mining company is in a purely contracting role. One has to be very clear why they are advocating this. It is a device to get the expert services of a mining company on the cheap. It is conceived to be cheap in two ways. In the first place, most governments consider a fair management fee is a very modest sum compared to the normal yield from a conventional equity investment. In the second place, it avoids giving the mining company an equity stake. The trouble with this concept is that there is absolutely no reason why the mining industry should play. If they can get a normal return by investment in such countries as North America and Australia they will continue to use their very scarce skills of human resources exclusively in those areas. Even if they are willing, and sometimes they are, to carry out exploration and mine development contracts on behalf of others, they are unlikely to devote their best people to exploration contracts and this is not therefore likely to represent a very productive way of using public money. Mine development contracts are less likely to be an ineffective use of money as the companies use such contracts to maintain a cadre of highly trained specialists in being in between bouts of intense activity occasioned by their own discoveries. It is true that Saudi Arabia, for example, has persuaded some companies to explore by contract and has probably achieved a high quality deal by paying exceptionally high fees. This is a solution which may be open to Saudi Arabia, but is clearly not relevant to Africa. A further problem of the contract route is the difficulty of raising finance if the contractor is not seen to be at risk. If, like Saudi Arabia, a country can afford to finance any mine from its own resources, and on its own credit, it may be alright, but not otherwise.

If one looks at the pattern of mining development that has taken place in Africa over the last ten years it tends to corroborate what I have said. Such development as has taken place has mostly been the development of open-cast bauxite, iron ore and phosphate projects. There has been some expansion of existing base mineral operations, but very few new base or precious metal mines have been opened. Those that have been developed include diamonds and base metals in Botswana and uranium in various francophone territories and Namibia. In a number of these cases development has proceeded form discoveries made in the colonial era.

International efforts

At this point we should look at the exploration efforts that have been made by international bodies to compensate for the falling-off of private enterprise effort. I can see no evidence that bilateral aid has achieved any discoveries in Africa. All it has done is to strengthen the geological surveys of some countries and pay for some technical training. Funds made available by the EEC under the Lome Agreements have been equally ineffective. Often too high a proportion of these funds has been devoted to expensive research projects that delight the lucky recipient academic institutions but do not do much good for anyone else. By far the most determined and successful attempt has been made by the United Nations Development Programme. Carman, reporting in 1977,[1] claimed that for a total expenditure of $132m. the fund has been responsible for twenty discoveries of which twelve were in Africa. Of these a manganese project in Upper Volta and salt and potash projects in Morocco have gone ahead to be developed, but the remainder, including three uranium projects, one copper, one nickel and one iron ore project, are in abeyance. In the majority of these cases it is admitted that the UNDP moved into deposits that were known about before they undertook the work.

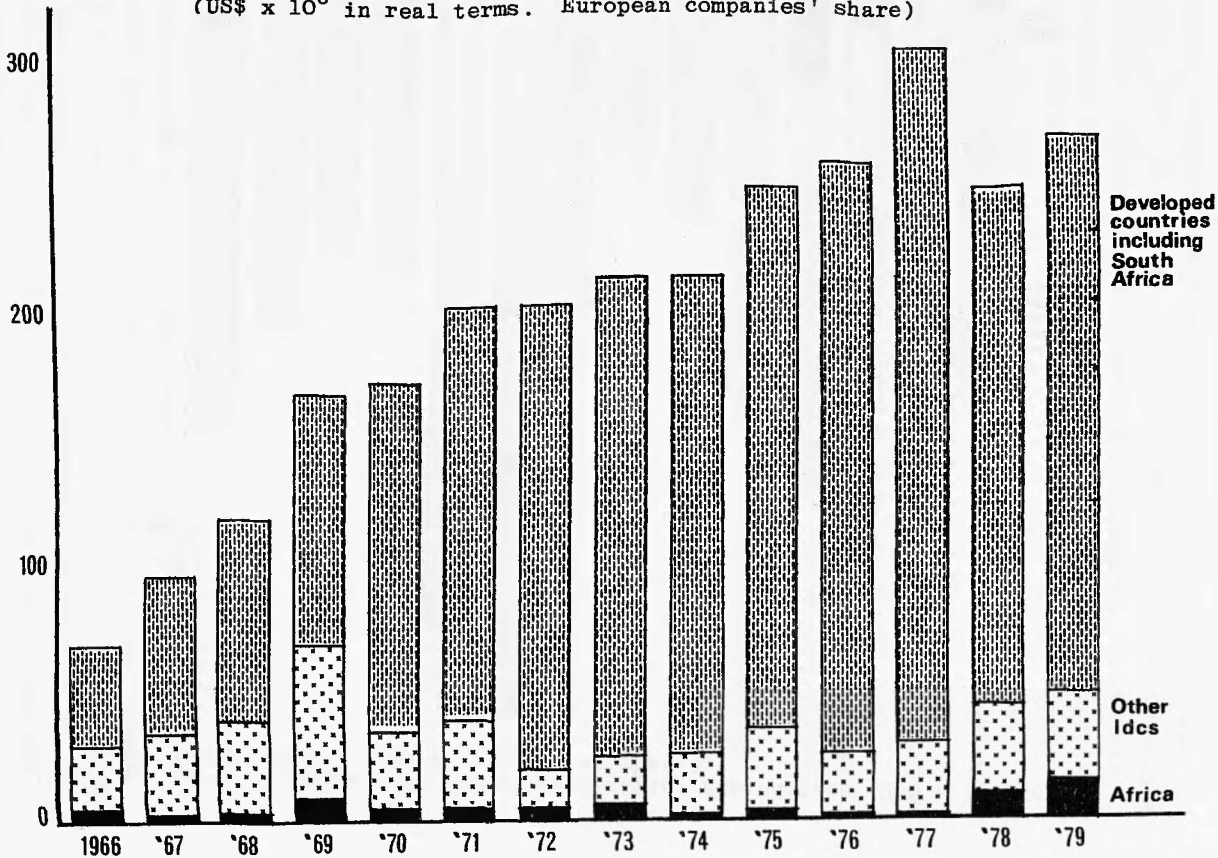
A further ambitious UN Scheme entitled the Revolving Fund for National Resources was inaugurated in 1977. This fund has been formed from contributions by a number of major consuming countries, of which Japan is the principal. The intention is to use the money to enable UN specialist agencies to undertake economic mineral exploration surveys in the Third World. There is a requirement that in the event of a discovery the fund shall be replenished by a refund from the subsequent mine to the extent of 2% of the gross value of the product per annum for a period of thirty years. This provision has apparently so far prevented any country from seeking assistance from the fund.

Although the UN has made a determined and praiseworthy attempt to maintain exploration momentum in the Third World it has had only limited success, mainly due to the world-wide shortage of mine-finding technical staff. It is therefore difficult to avoid the conclusion that, praiseworthy as the UN effort has been, a return of the international mining industry to Africa is necessary if the high value minerals, which would do the most for African countries' economies, are to be found and exploited.

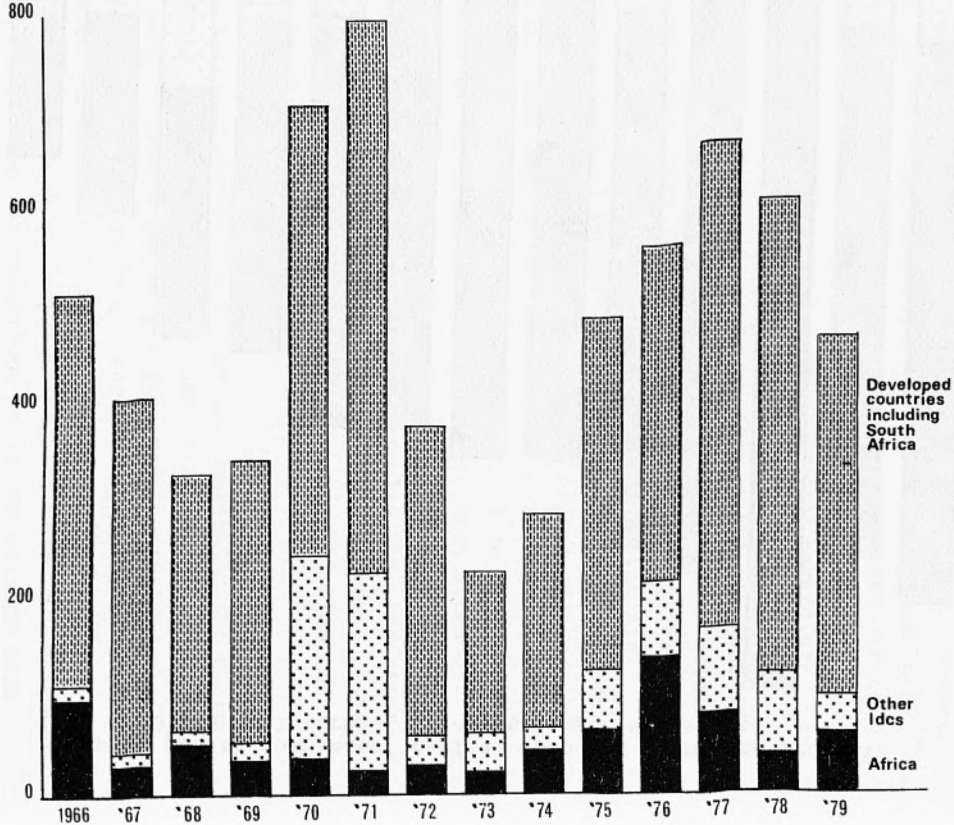
EEC guarantees. In this respect, the degree to which Africa is missing out has been shown up sharply by the statistics which were used by the so-called Group of European Mining Companies in support of their case for an EEC initiative towards a new international guarantee system which might make it possible to achieve a more equitable distribution of exploration and development funds as between the Third World and the developed world. These statistics have received fairly wide publicity and much concern has been expressed at the meagre proportion of exploration funds that are spent in the Third World generally. However, Graphs 1 and 2 of development expenditure and of exploration expenditure show very clearly how much worse Africa has fared than almost any other area where there is reasonable mineral potential. The situation regarding capital development, though very unimpressive, has been rescued by some reinvestment in existing projects, but the exploration picture is appalling, particularly as certain parts of Africa have above-average mineral potential. I frankly do not see how Africa is going to attain its potential, which it desperately needs to do, without coming to some sort of accommodation with the mining industry. By this I must emphasise I do not mean a regression to the worst sort of colonial-type concession. I do mean the evolution of agreements that are fair to both sides but recognise that Africa is in competition for very scarce resources with countries such as Australia that are generally believed to be more politically settled. What chances are there of reconciling two extreme points of view and arriving at such a compromise?

In their submission to the EEC Commission the mining companies argued that the most practical course as far as they were concerned would be a guarantee by the Community against losses arising from changes in operating agreements enforced unilaterally by host governments. This would involve the payment of compensation, not only for nationalisation, but also for reductions in income arising from increased tax takes and other government-induced causes. They advocated a system whereby mining agreements would be of a tri-partite nature between the host government, the Community and the mining entrepreneur, departure from which would trigger off the guarantee system. They felt that it would be reasonable for the Community in these circumstances to seek from the host country a guarantee of a proportion

Graph 1: European mining companies' capital spending in mining projects (US$ x 10^6 in real terms. European companies' share)



Graph 2: European mining companies' exploration expenditure (US$ x 10^6 in real terms. European companies' share)



of the subsequent product for European markets, particularly if this claim were reinforced by the use of Community funds to finance infrastructure and the host country's share of the equity investment in the project. It should be noted that in making this proposal the mining companies were not so naive as to expect that they would get particularly favourable terms under such an agreement. If their own governments were going to give such a guarantee, they would not commit themselves to terms of agreement that were unlikely to stick politically. Above all, the scheme was designed to attain a reasonable security of tenure, even if this meant having to accept terms marginally inferior to those that might otherwise be negotiated.

Although the proposals were favourably regarded by the Commission; who then propounded a scheme of their own on these lines, the initiative eventually ended in failure. The Nine Member Governments could not agree, mainly because they felt that their individual investment protection treaties with individual countries would be jeopardised, but budgetary considerations were also an important factor, to say nothing of a reluctance to increase the powers of the Commission itself. On the other hand, the proposals were also unacceptable to the ACP countries, in particular to those countries which are members of the Commonwealth.

International agreements

The EEC proposals have been particularly criticised in an article by Mike Faber and Roland Brown in the January 1980 edition of *Third World Quarterly*.[2] I think it is worth looking at it in some detail as it is a good illustration of the attitude of mind of the Third World and their sympathisers as well as of the dangers of disregarding some of the fundamental technological problems of the mining industry in trying to evolve some way out of the present impasse.

The main objections of the authors to the proposals are as follows:

1. They do not regard an international agreement as a suitable vehicle through which to define the complicated contractual nexus between the investor and the host government, mainly because no effective sanction in the event of a unilateral departure from the terms by a host government would be negotiable and, even if it were, it would involve serious problems of international law.
2. They point out that the maintenance of rights of mining investors is not the same thing as securing an assured supply of raw materials for the Community and it is unwise to confuse the two. In parenthesis I might point out that the primary problem is to get the mining companies back into the field without which there will be little or no supplies, so I am not sure that the two problems are all that separate.
3. If a mining agreement becomes in effect a treaty between two sovereign states arbitration would become impossible; the EEC could not, as a party to the treaty, be the judge of whether a breach of the agreement had taken place and any such agreement which would be remotely workable would have to be in such vague terms as to provide no firm point of reference to an arbitrator.
4. They do not consider that a binding agreement designed to remain intact for the life of the project is practical; a host government may be perfectly justified in seeking amendments in the light of changing circumstances. For example, if there were a concerted world attempt to evolve a system to achieve greater stability of raw material prices, a host government would have to be in a position to benefit from it.

I have a good deal of sympathy with some of the arguments that have been advanced in the first part of the article, particularly in respect to the legal problems. It is when the authors start talking about possible remedies that I start getting into difficulties. They diagnose the main problems of the Third World host countries as being:

1. The necessity to enter into detailed and long-term agreements with mining entrepreneurs to enable the necessary finance to be obtained.
2. The necessity to negotiate such agreements before either the mining company or the government know what is to be found, which puts the government in a very weak bargaining position. They therefore advocate that such agreements should not be negotiated until after the feasibility stage has been completed when equal access to all relevant data will result in equality of bargaining power.

In practice such a scenario would not bring about equality of bargaining power, it would effectively leave the mining company without any bargaining power at all and no board of directors not actually certifiable would ever allow themselves to get into this position. The authors recognise that it is unreasonable to expect mining companies to spend very high risk exploration money without having some firm undertaking that they will be given exploitation rights. This leads them to conclude that the finance for exploration should come from a combination of funds put up by consumers, who benefit from the discovery of minerals, and internationally controlled public funds. This, it is argued, would relieve the mining companies of having to bear the financial burden of exploration and would destroy their argument that it is essential for them to earn above-average financial returns to offset the risk of exploration failures and development of only marginally economic mines. Thus it would become possible to force on the mining entrepreneur an agreement which, to quote the authors themselves, would have the following effect:

> The remuneration in such circumstances of any external mining company would then be a function of two main elements, the one relating to the services performed by the company and the other relating to the capital in the venture which it had at risk. This, viewed another way, would represent a shift away from a highly variable profit flow comprising a large element of rent towards a steadier flow consisting in part of something analogous to fee income and in part a rate of return on capital that would fluctuate moderately around a pre-negotiated norm in response to some measure of efficiency and to market conditions.

By the time the politicians have interpreted this we shall arrive at a situation where the mining company is allowed to recover its capital at a rate of return that will just about cover its cost plus a management fee which is expected to compensate for all services rendered including doubtless the assumption of very burdensome completion guarantees. Any suggestion that such a management fee should exceed £500,000 plus expenses would doubtless be regarded as an outrage. So we eventually arrive at a situation in which everyone is deliriously happy except the mining company. Unfortunately it is not going to be a scenario that will happen, because the stage manager will be absent either trying to earn some real money in a place like Australia or staying in London or wherever collecting 16% on his Yearling Bonds.

One can understand the logic of this argument easily enough but it seems to ignore a number of major practical difficulties. Fundamental to the concept is the notion that the primary problem for the Third World is one of finance. My argument is that a much more important problem is a lack of their fair share of highly specialised and very scarce people. I do not see these people falling over themselves to go and work for a consortium of consumers or a conglomeration of international institutions, nor do I see any evidence that a consortium of consumers would either be able to manage such operations, or be willing to spend very high risk money. In fact, the apathy of European consumers, with some honourable exceptions, is not the least unhelpful ingredient of the present impasse. It would not be too unfair to describe the attitude of the CBI to the problem of future mineral supplies as one of the head being well below ground level and the corporate hind-quarters being firmly orientated on the Pole Star. I have looked at my own company's exploration expenditure over the last decade and find that over 86% of it had to be written off as unproductive. This is true of a company that has been a good deal more successful than average. Most so-called consumers would be horrified if their R&D expenditure were anything like as unproductive. A commercial organisation can prudently finance its exploration only out of its surplus cash flow. This would be just as imperative for consumers as it is for mining companies. If it should prove possible to persuade consumers to take this kind of risk at all they would doubtless claim that they should have part of the action, but many governments, justifiably in my view, are very chary of consumer equity participation in mining projects.

I seriously question whether the need to negotiate mining agreements before the start of a project is all that unfair to the host government. Basically at this stage the company needs agreements on the following matters:

1. An undertaking that exploitation rights will follow successful exploration.
2. What participation the local government wishes to take up and on what terms.
3. An adequately secure management agreement.
4. Assurances concerning the repatriation of dividends and loan service charges.
5. Marketing arrangements for the product.
6. Understandings concerning training programmes and the transfer of technology.

7. The division of the spoils.
8. Arbitration arrangements.

I do not believe that it is necessary for the host government to know what is to be found in order to state its wishes on all these points except possibly the division of the spoils. It may not be able to get both the investment and everything it wants, but on most of these matters it should not be too difficult to come to an understanding, as in most instances the mining entrepreneur and the host government have more of a common interest than is generally realised. For example, both want maximum prices for the product and both want to indigenise as quickly as practical. Mining companies have learnt from the mistakes of the past and appreciate that a manifestly unfair agreement will not last. In particular, partnership with either the local government or local companies is no longer a serious issue and this at least assumes equality of information from the time the agreement is struck. Moreover, host countries now have access to qualified technical advice provided by the UN and other institutions when faced by the necessity to negotiate an agreement. Marketing and the degree of local processing may be difficult areas, particularly if the company concerned is fully integrated and is looking only for feed for its plants elsewhere.

Tax problems

I can see that the question of government take is more difficult, but I do not believe it is impossible. There are certain types of tax which host countries should eschew as far as possible in their own interests. The imposition of an export or excise duty or a royalty that raises a fixed charge per ton or a fixed percentage of the realised price of the product has the effect of imposing an additional fixed cost on the operation and therefore effectively raises the cut-off grade. In the long-run this reduces the amount of ore that it will be economic to remove from the ground and represents a waste of resources. If such taxes have to be raised they should be kept to a minimum.

It follows from this that the main burden of taxation must fall on profits. It is a misconception that on average the mining industry earns higher returns on capital than manufacturing industry. In the majority of cases generally applied corporation tax rates will be the maximum that can be afforded. But to cover the exceptional case governments attempt to meet the problem by imposing a sliding scale so that the incidence of tax increases with profitability of the enterprise. There is therefore an insurance against the host country being taken for a ride if the mine turns out to be exceptionally profitable.

The South African legislation is a particularly useful model as it seeks to solve the problems of the marginal mine as well as the bonanza. Other places that have tax systems on this principle are Bougainville, Saskatchewan, Manitoba and Zambia. Currently in Canada research is proceeding on the evolution of a highly sophisticated rate of return tax that could well act as a model. Suffice it to say that this is a subject to which a number of competent people have bent and are bending their minds and it is ridiculous to contend that a government is helpless; all it has to do is to seek the right advice. In any case, I believe that the importance of the taxation problem has been exaggerated out of all proportion. I have looked up the after-tax rate of return on total capital of the mining industry in comparison to that earned by other industries in three countries. In Canada out of five main industry groupings it ranks fifth; in the USA out of eighteen industry groupings it ranks twelfth; in the UK out of eleven industry groupings it ranks tenth. In the USA the rate of return of the mining industry on total capital is 12.5% compared to 17.6% for the soft drinks industry. From this it will be seen that the alleged rip-off of the mining industry is peanuts compared to that of Coca Cola. Of course nature is infinitely variable and sometimes conspires to co-operate 100% with the mine operator. As mineral prices tend to centre around the costs of production of the average mine exceptionally high grades of valuable minerals allied to easy mining and processing conditions are bound to result in high profitability. At times of abnormally high prices average or slightly above-average mines may become temporarily highly profitable. But these are exceptions.

Whilst I do not accept that it is impossible to come to a fair agreement at the outset, I can see that there should be some provision for the periodic revision of agreements, but as far as possible revision should be ruled out until the original capital has been recovered and should take place only at stated intervals. One of the problems is the greater dependence on the banks to finance development arising from the companies' failure any longer to generate sufficient internal cash flow to finance their own development. Bankers demand assurances down to the last detail in order to obviate financing difficulties later. It would be much easier to start by a simple agreement setting out the broad principles on which the main issues should be settled when all the facts are known.

The mining companies are not as inflexible or as unintelligent as some of their critics claim and a number of imaginative agreements have been signed in recent years with such countries as Brazil, Indonesia and Malaysia. It is a counsel of despair to suggest that African governments cannot negotiate agreements that hold a reasonable balance between themselves and foreign mining investors. The main problem is to restore a wish on the part of the mining companies to try and negotiate such agreements.

The breakdown of the EEC initiative for a political guarantee for the mining industry seems to me to have left very little hope that the situation will improve. The Lomé II Convention has done little or nothing to solve the security problems of the mining industry so that the comparatively large sums of money that have been made available for mine development are likely to remain largely unspent. Indeed, the position seems to have marginally deteriorated in that the European Investment Bank, which is in control of a large proportion of these funds, is currently insisting that the mining entrepreneur should guarantee any funds disbursed by the bank. From the point of view of the mining industry, finance from this source is therefore likely to be less favourable than finance from normal commercial sources.

Some evidence has recently come to light that would seem to run counter to the general conclusion of Faber and Brown that a political guarantee system is not the right way to go. Graph 2 shows that there has been an increase in exploration activity in Africa during the past two years and at first sight this may look rather encouraging. However, this improvement is very narrowly based, because it was confined to francophone territories and to French and German investment. Part of the improvement is undoubtedly explained by increased activity in the development of uranium deposits, but it is also important to bear in mind that the reaction of the German and French Governments to the EEC proposals was to improve substantially the coverage that they were prepared to offer to their own overseas mining investors. The corollary to this for Commonwealth African countries seems to me to be particularly grim. The German mining industry is not substantial and French activity will undoubtedly continue to be concentrated on the francophone territories in pursuance of French foreign policy. In the meantime the ECGD tends to shun mining investment and in the present climate on public expenditure I see no possibility of this position changing.

The Commonwealth African countries therefore seem to me to be potentially the worst losers from the collapse of the EEC initiative, but in view of the present wholesale opposition to these proposals, or anything like them, I can only express profound pessimism concerning an early resumption of substantial investment in African mining projects. I still think a Community guarantee system of some sort, despite the formidable difficulties, is the most promising way to clear the impasse.

What else can be done? I am inclined to think that perhaps the most effective way of removing the present log-jam would be the occurrence of a good old-fashioned worldwide economic boom resulting in an upward surge of metal prices with preferebly some scarcities. In such heady circumstances I think some of the present obsession with politics might well tend to evaporate. Alas, this contingency is unlikely to happen in view of the energy crisis. A serious deterioration in the international situation might be another helpful touchstone, but this is not exactly an enthralling remedy.

Some people argue that the entry of the oil majors into the mining scene will be helpful on the ground that they are more enterprising than the traditional mining company. There is some evidence that there may be something in this but I would not like to rely on it. Their sheer financial power enables them to contemplate maybe one major mining investment mistake with comparative equanimity, but I doubt if it would extend to two. If their early attempts to invest in the Third World turn sour they will become as conservative as the mining industry itself.

Perhaps the developing countries should ask themselves the simple question: what is it about the regimes of Australia, Canada and the USA that apparently makes them so attractive to the mining investor? I suggest that the principal attraction, apart from the political stability, is that one does not have to negotiate an elaborate agreement covering every aspect of the project with the government. For the most part the conditions under which one will be working (including taxation) are laid down by law. One may have to negotiate a number of ancillary points, such as water and power supplies, environmental and health controls, but these are technical problems that can usually be settled in a reasonably unemotional atmosphere. If African countries could move towards this concept I believe it would help them. Mining codes are not easily changed if they are generally applicable, but mining agreements with individual firms are very easily changed, even when ratified by legislation. An investor feels individually less exposed if he comes, like everyone else, within a generally applied law than if he comes within an agreement specific to himself.

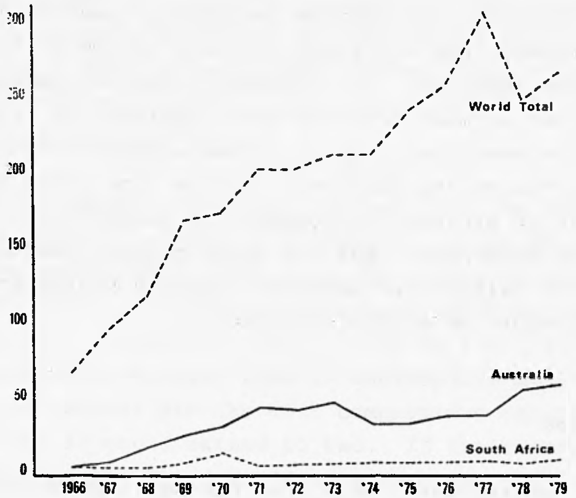
The more the law regards the mining industry as just another industry and not a special case the more the investment climate improves. The demand for special agreements emanates just as much from the host countries as from the companies because they wish to impose special taxes and burdens on the mining industry. Yet in nine cases out of ten the mining project is incapable of supporting a fiscal regime more burdensome than the usual run of industry. The evolution of enlightened generally applied mining codes should therefore be an aim of policy.

South Africa

As a postscript I have just one small point to make about South Africa. Graph 3 shows exploration expenditure by the European mining companies from 1966 comparing their overall expenditure with expenditure on South Africa and Australia. I find this graph quite astounding. From a technical point of view South Africa is one of the most favourable countries in which to invest. It is highly mineralised, enjoys an enlightened legal and fiscal mining regime, has a labour force with long traditions of working underground, has exceptionally good schools for the training of technical personnel, and an efficient indigenous industry producing mining equipment and services. Given these conditions, one would have expected expenditure in

South Africa to have risen at least as fast as in Australia. In other words, the bottom curve on the graph should have gone up at least as steeply. The fact that it has remained practically static in real terms can in my view only be explained by a deeply felt underlying uncertainty about the long-term political stability of South Africa, which all goes to show how sensitive the mining industry is to changing political circumstances. This curve has its lessons for the whole of Africa and not only Pretoria.

Graph 3: Exploration expenditure on all products (1979 US$ x 10^6)



1. John S. Carman. *Obstacles to Mineral Development: a Pragmatic View*, Oxford: Pergamon Press, 1979.

2. 'Changing the Rules of the Game', *Third World Quarterly*, January 1980.

New Publications from the Overseas Development Institute

EEC and the Third World: A Survey, 1

Edited by Christopher Stevens

Aims to pull together the many strands of EEC policies and actions that affect the Third World. It brings to this analysis the weight of research being undertaken in European centres and elsewhere, and is published at a time when particular interest has been generated in the relationship between North and South by the report of the 'Brandt' Commission. Its underlying philosophy is that the EEC and the Third World have mutual interests, but no assumptions are made that either harmony or conflict of such interests is inevitable. In detail, it explains the scope and terms of the new Lomé Convention, leading the reader through the labyrinth of the EEC's commercial relations with developing countries, and examines the impact of enlarging the EEC to include Greece, Spain and Portugal. It reviews EEC—Third World interests in the fields of industry and energy. (Published jointly with Hodder & Stoughton and the Institute of Development Studies, Sussex.) ISBN 0 340 26502 7

£5.00 **150 pages** **1981**

The EEC's Generalised System of Preferences — Evaluation and Recommendations for Change

Ann Weston, Vincent Cable, Adrian Hewitt

Tariff-free access to the rich markets of the industrialised North remains an important objective of developing countries. The GSP, intended to remove tariff barriers on a preferential basis, has grown more and more complex during its 10 year life. The authors have collected data and opinions from policy-makers, administrators, importers, retailers, ldc trade delegations, etc., in all the major EEC countries and evaluated the impact of the scheme to date. They conclude that a more liberal GSP would stimulate exports from developing countries, thereby enhancing their growth and investment prospects. ISBN 0 85003 071 4

£5.00 **194 pages** **1980**

£2.50 **ISBN 0 85**