

Overseas Development Institute

Annual Report 1983



ODI Council

as at March 1984

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Annual Report 1983

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Chairman's Statement

The Institute, under the vigorous leadership of our new Director, Tony Killick, successfully launched a number of new research projects in 1983 and further extended its 'outreach' activities to increase public awareness of the problems of developing countries.

In order to maintain this momentum and so as to lay the foundation for the programme of work for the next few years, the Council accepted that it would be necessary in 1983 to draw on its reserve funds to finance the enhanced research programme while additional funds were being secured. In the event the reserves were drawn down by £65,815. This was somewhat higher than the deficit we expected when last year's report was prepared because some of the funds which were raised in 1983 will only be received in 1984. It is some consolation that the value of our reserves as at 31 March is about £42,000 above the cost price as valued in the Accounts.

A major part of the Institute's research activities has been devoted to agriculture and in particular this has been the speciality of the Agricultural Administration Unit. The failure of agricultural policy in many developing countries, especially in Africa, is particularly critical. Of the poorest countries in the world no less than two-thirds are in sub-Saharan Africa. These are the countries singled out by FAO with a claim that 180 million people there are denied a full life because of inadequate diet.

Since the 1960s there has been a shift in thinking on the role of agriculture in development. Many newly independent countries then saw industry as the engine for growth in their economies, to be financed by extracting the surplus of the peasant producers who contributed the major part of the national GDP.

The inappropriateness of this strategy was recognised first in Asia, where it was seen that the development of the agricultural sector often provides the best means to increase the incomes of the majority of the population, to absorb into employment growing populations, and to provide a prosperous home market for the product of the new industry. Impetus to this new strategy came from improvements in plant breeding and nutrition — the so-called 'Green Revolution'. But similar increases in yield and *per capita* production have not been achieved in Africa, where the prospects for agriculture-based development remain unpromising.

Yet in a continent where some areas have always been vulnerable to periodic drought, while elsewhere high rainfall requires very careful management of the tree cover and of the soils to prevent erosion and the leaching away of nutrients, there is considerable efficiency in traditional management methods of peasants and pastoralists; and African peasants have always shown themselves ready to adopt new crops or varieties if the economics and the technology were right.

Unfortunately, internal policies and deficiencies, especially over-valued exchange rates favouring imports, heavy taxation of export crops, inefficient

state marketing and other agricultural service organisations, and food aid or subsidised food imports have all contributed to reduced farmer incomes and incentives.

Sub-Saharan Africa has had more aid *per capita* than Asia and the percentage of this aid devoted to agriculture has increased. Yet there has been a problem of misapplied aid, aggravated by insufficient research and understanding. In some countries, too much aid from too many sources has competed for the time and ability of a limited cadre of top officials, and left countries with unsustainable recurrent costs and insufficient qualified staff for expensive projects.

Since the mid-1970s, therefore, momentum has been gathering behind a new emphasis on the importance of governments' policy framework and on good management practices, and efficiency in government service. 'Food sector strategies' have been placed high on the agenda of the current negotiations for a successor to the Lomé Convention between the European Community and the ACP states.

However the negotiations have already been clouded by the alacrity with which the ACP governments have linked stronger donor conditions on what remain quite modest aid allocations with the 'sacrifice' of sovereignty over their domestic decision making. The EEC negotiators have themselves been too keen to see the ACP — and sub-Saharan Africa in particular — as a disaster case, and to imagine that where large and growing food deficits exist, these can be treated both in isolation from the export crop economy, from the debt service problems acutely felt by many even of the poorest and least credit-worthy countries, and from the EEC's own protectionist agricultural policies which, as the last year has shown, cannot even permit the unrestricted access of off-season strawberries from Kenya.

ODI can fairly claim to have been in the forefront of the new thinking on agricultural policy and management and through its Agricultural Administration Unit it has produced practical help to government officials in attempts to understand farmers and to improve the provision of services to them. These research activities have done much to inform governments and donors on ways to assist small farmer development and to help the rural poor to improve their livelihoods. Particularly influential work has been done on the design of irrigation schemes and of livestock programmes, both problem areas where returns to investment have been disappointing. The Unit is now increasingly concerned with those questions of reform in domestic agricultural policy and management (including the financing of services) which are now accepted as equally important in agricultural development as any changes in the international environment.

The past year has seen a number of changes among the Council. The first of four resignations which, regretfully, I have to report was that of Mr Ronald Archer, a member of 12 years standing and, like Professor Henderson who resigned at the end of 1983 on his appointment to the OECD, a member of the Finance and General Purposes Committee. Both gave generously of their time and they will be keenly missed, as will Mr Tom Ross and Mr David Banks who

also resigned during the year. Our thanks go to them all. To offset these losses, we were glad to welcome five new members to the Council's ranks: Mr George A. Bevan (Shell), Sir Reay Geddes (Midland Bank), Mr David Lawrence (Unilever), Mr Charles Runge (Tate & Lyle) and Sir Michael Scott (Secretary-General, Royal Commonwealth Society).

There were fewer staff changes this year than last, but one notable departure was that of the Deputy Director, Dr J.V. Cable, who left in October to take up an appointment with the Commonwealth Secretariat. Since joining ODI in 1976 he had made distinguished contributions to its work and enjoyed a high reputation as writer and speaker. The position of Deputy Director was filled early in 1984 by the promotion of Dr John Howell. The departure of two other valued members of staff must also be recorded: Ann Weston, from the research side, and Christine Palmer, Publications and Press Officer, who left after seven and four years respectively. Fortunately we were successful in recruiting three new research officers during the year, Tony Addison, Lionel Demery and Roger Riddell although the latter two were not able to take up their appointments until January. Peter Gee has replaced Christine Palmer.

The current research programme, as set out on pages 8 to 15 in the Annual Report, shows the wide range of international governmental and private organisations which support our work on current questions of development aid and international trade policy. We plan to build on the success which has been achieved. We want to recruit some additional staff and we want to step up our outreach activities. We shall continue, therefore, to explore all avenues, old and new, to secure the necessary increase in income. Already we are planning for a special Anniversary Appeal in 1985 when the Institute will have been in existence for 25 years.

The Institute's reputation stands high and this provides a solid basis for confidence in the future. The scholarly rigour of our staff is matched by their enthusiastic dedication to their work. The Council is grateful for all that they have done in 1983.

April 1984

George Bishop

Future Directions — ODI's Response to Changing Needs

Many developing countries, particularly the poorer ones, are still reeling under the impact of two oil shocks and the 1980-83 recession. The need to bring the facts before the public and to secure a sympathetic policy response in the North could scarcely be greater and if organisations such as ODI are to meet that need we must, as in the past, recognise and adapt to changing world realities.

- We have to take note for example of the increasing fractionalisation of the 'Third World'. Such a broad grouping has ceased to be a sensible focus for much research or for the determination of policy. Indeed, the main shifts in international inequality in recent years have resulted from changes within the South, rather than between it and the North. The issues have thus become more complex, at both the practical and ethical levels, and it is necessary to think through the implications, particularly for international economic negotiations.
- Economic relations between the North and South are in a similar state of flux. Exports from at least some developing countries are being diversified, lending urgency to the issues of market access, protectionism and the adjustment of industrial country economies. The changing pattern of capital flows is another important feature: the decline of aid and direct investment; the rise and fall of bank finance and related debt-management issues. Encouraged in the 1960s and 1970s to expand through trade and by borrowing from the banks, many developing countries now find themselves enmeshed in a web of trade deficits and debts.
- At the same time, attitudes towards developing countries are hardening in Britain and elsewhere. In international economic policy, there appears to be a shift towards a more self-interested and inward-looking approach, and this is buttressed by a feeling that the moral case for aid has weakened as former colonial responsibilities recede.
- Finally, both interest and the financial resources available for development studies have declined so that ODI operates in an increasingly difficult financial environment.

Adaptation to changing circumstances is no new feature of ODI's work. At one time, when it was a central issue in development, almost all our research was devoted to aid and ODI was regarded primarily as an aid lobby. These days are long past. The Institute now has a recognised expertise on trade questions and more recently on international finance. The formation of the Agricultural Administration Unit some eight years ago was a clear example of an initiative to fill a newly recognised need. Other studies of developing

countries' domestic policies are being undertaken. The description of the Institute's current research programme on the following pages demonstrates its relevance to contemporary problems and the practical, policy-oriented nature of all its work.

The complexity of the issues and the controversies which surround aid, trade and financial policies point to a need for sustained public education. ODI has always sought to exert an influence on opinion-formers and policy-makers by means, for example, of our popular series of Briefing Papers and well-established programme of lunch-time meetings. In 1983 we extended our work to run off-the-record seminars and conferences for selected audiences, including one for businessmen, as well as a successful week-long international workshop. We aim for further expansion in these directions but it is a mark of the times that money for such initiatives is difficult to secure.

One of our objectives for the next few years is to increase the number of research staff by 50 per cent or more, in order to increase our capacity to respond to emerging needs, and to achieve intellectual and financial economies of scale. We wish to develop our capacity to service the media with information and feature articles, and to increase the dissemination of our own research results. We will be providing research assistance for a newly formed all party Parliamentary Group on Overseas Development. We want to expand the AAU's highly valued 'networking' activities and one possibility is the creation of an additional post for work on social forestry in developing countries. We hope to make an additional appointment for research on international trade and finance. We would like to increase our work on the operations of multinational corporations in developing countries and to remedy the serious lack of research on international institutions and international negotiation processes in the light of the fractionalisation of the Third World. With these ambitions in mind we have begun to identify and elaborate the next round of research projects, to take us beyond 1984-1985.

Thus, ODI is ready to respond to the changing and in many ways growing need for its work. The task is to secure the resources that will permit an adequate response. The 1983 deficit, while influenced by special factors, heightens the importance of securing a firmer financial base. This must be our top priority. We expect an improved out-turn in 1984 and will be putting specific and detailed proposals before potential funders during the course of the year. We will also be preparing for the financial appeal which is planned to coincide with ODI's 25th anniversary in 1985. After nearly 25 years of solid achievement we approach the next quarter-century with undiminished vigour.

Tony Killick

The Research Programme

The Institute pursued an active programme of research during 1983, with a number of new projects getting under way. The following paragraphs describe its programme, beginning with issues of international trade policy.

Protectionism and Industrial Decline (Vincent Cable)

The success of a number of 'newly industrialising countries' (NICs) in penetrating Western markets with manufactured exports has generated new policy challenges. A central issue is the extent to which countries such as Britain should protect their older industries or should re-structure their economies in the face of the changing international division of labour. As the culmination of several years' work, Vincent Cable's book *Protectionism and Industrial Decline* was published in 1983. It goes beyond conventional economic analysis to include extensive discussion of the politics of protection as well as looking at alternative policies, drawing upon case studies of the consumer electronics, knitwear, cutlery and footwear industries.

Commodity Diversification in ACP Exports (Christopher Stevens and Ann Weston)

Through the Lomé Convention signed in 1975 the EEC accorded a more preferential import regime to the African, Caribbean and Pacific (ACP) states than to any other group of countries. But ACP exports do not appear to have prospered, recent analyses suggesting that the EEC has actually become a less important market for the ACP and the ACP a less important source of supply for the EEC. Such findings have significance both for the ACP countries and for the relevance of tariff preferences in stimulating trade. Analyses like these based on aggregate figures may however overlook interesting but small-scale developments, so the ODI project picked out for study 'new' ACP exports such as manufactures and processed agricultural products. Combining a broad analysis of exports from 35 ACP states with detailed case studies of Mauritius and Ivory Coast, it assessed the success of ACP states in exporting new commodities to the EEC in recent years, the extent to which this can be attributed to the Lomé Convention, and the scope for changes in the Convention to facilitate further movements in this direction. It concluded that while a significant number of countries have begun exporting a wide range of new commodities and achieved impressive rates of growth, their values are still minute and many ACP countries have performed less well than the middle income countries of Asia and the NICs. The study was funded by the Overseas Development Administration.

Future Work on Trade Issues

Plans are in hand and funding is being sought for a study of the import prospects of Third World countries, to be undertaken jointly with collaborators from the Overseas Development Council, Washington, the

Institute for Developing Economies, Tokyo and the London-based Policy Studies Institute. It would include an historical study of trends in ldc imports and of the experiences of a number of the major industrial exporting countries; an examination of the ways in which ldc import needs are likely to develop in the medium-to-long term; and an exploration of the policy implications of these for exporting countries.

It is also intended to produce a revised edition of one of ODI's most successful past publications: *Trade and Developing Countries* by Kathryn Morton and Peter Tulloch, an introductory text and reference book on developing countries' trading problems. Much has changed since the book appeared in 1977 and funding is being sought for a complete revision under the authorship of Peter Tulloch and Ann Weston.

EEC and the Third World: A Survey (Christopher Stevens)

The third volume in this annual series (a joint venture with the Institute of Development Studies, Sussex) appeared in 1983 and the manuscript for volume four was completed for publication in March 1984. Building on research undertaken at ODI but also drawing on primary research conducted elsewhere, this volume is devoted to an analysis of the impact of the Lomé Convention for both aid and trade, about which surprisingly little is known, and to the prospects for the third convention now under negotiation. It carries chapters based on two substantial analyses of the impact of EEC aid and, drawing on the experience of Malawi and Sierra Leone, assesses the strengths and weaknesses of the EEC's aid machinery, particularly in relation to the Community's negotiating position on aid for 'Lomé III'. It concludes that the EEC's attempts to alter the direction of its aid give too much attention to ACP weaknesses while neglecting the shortcomings of its own aid administration. A hallmark of the Community's new approach to aid is its emphasis upon sector strategies, although a sector strategy has been in operation for minerals since 1980 and a survey analysis of its workings suggests that a rigid sector approach can inhibit the EEC's response to the real needs of the ACP states. In the trade area, which has been rather neglected by the EEC in the negotiations so far, ODI's research on commodity diversification in ACP exports shows that there is considerable scope for improving the trade regime.

Stabex and Compensatory Finance (Adrian Hewitt)

The evaluation work completed in 1982 on the use and economic impact of Stabex transfers was developed during 1983 under the aegis of various international bodies. The original study, which was undertaken for the EC Commission, had revealed the practical divorce between the product-based compensatory claims mechanism of the scheme and the generalised use of the funds as balance of payments support by the governments drawing on Stabex. In 1983 the Commission advanced proposals — still a subject for future negotiations — to tie the use of Stabex transfers more closely to export production sectors. Since it is widely recognised that existing arrangements provide only partial and imperfect compensation for earnings shortfalls, while

the IMF's compensatory operations remain limited, the case for a complementary facility was put forward by UNCTAD, drawing partly on a report on Stabex and Sysmin operations by Hewitt for the UNCTAD Secretariat. This initiative was retained for further study after the Belgrade Conference in June 1983. In order to assist the ACP Group in the Lomé III negotiations, Hewitt was also commissioned by the Commonwealth Secretariat to examine ways of modifying both Stabex and Sysmin schemes to compensate for fluctuations in export earnings by reference to changes in the real import financing capacity of the states concerned.

Malawi and the EEC (Adrian Hewitt)

ODI undertook a study covering all facets of one ACP country's relations with the EEC in order to assess the benefits and draw lessons for the future from that country's experience of co-operation with the EEC. Malawi was chosen as an example of a country not associated with the EEC before 1975 and one hard hit by current economic conditions. The aid component of the Lomé arrangements was found to be generally successful but the Stabex system proved to be ill-adapted to Malawi's needs, partly because the main export, tobacco, is excluded. The trade access provisions were generally helpful although some minor manufactures encountered unnecessary problems. The study, which was financed by the Overseas Development Administration, was completed in October and the findings incorporated in *EEC and the Third World: A Survey 4*.

Forecasts for the Developing Countries (Sheila Page)

The greater variations in international economic performance and the increased exposure of developing countries because of increased trade and larger debt liabilities have heightened the importance to developing countries of reliable assessments of the short- and medium-term international prospects. Many international agencies now publish forecasts and ODI saw the need for a systematic guide which would not only summarise observers' expectations and the range of their projections but also identify reasons for differences among the forecasts and assess their usefulness in the past. ODI presented the results at a conference and in a Briefing Paper, and found that although the forecasts had failed to predict the major short- or medium-term changes of the last five years, they were useful as discussions of changing trends or relationships and may have increased awareness of the uncertainty of their answers. A similar analysis will be repeated annually linked to a topical theme.

Trade and Financing Strategies for the 'new NICs' (Sheila Page)

In the 1970s a few developing countries appeared to have industrialised successfully by increasing their shares in trade and, in some cases, financing large current deficits by borrowing from commercial banks. They thus avoided the consequences of the twin problems of the rise in the cost of oil imports and the slow growth of demand in the industrial countries. If slow growth continues in the 1980s and the supply of new lending by banks is less

flexible or more costly, it may not be possible for the next generation of industrialising countries to repeat this experience. This study therefore examines the conditions that favoured the successes of the 1970s and the prospects for alternative strategies in the 1980s. These include greater emphasis on trade among developing countries, alternative methods of obtaining access to industrial countries' markets and funds (in particular through direct foreign investment), and reliance on more domestic strategies. The first stage of the study, funded by the Overseas Development Administration, is at a multi-country level and was completed early in 1984. The second, involving detailed case studies of Colombia, Egypt, Malaysia, Peru and Thailand, will be carried out in 1984-85.

The IMF and Economic Stabilisation (Tony Killick, Graham Bird, Jennifer Sharpley, Mary Sutton)

The balance of payments problems of developing countries and the related policies of the International Monetary Fund have assumed much increased importance in recent years. ODI's project on this subject was brought to completion early in 1983 and its report was published in two volumes in January 1984. It explores the extent, causes and consequences of balance of payments and other types of instability in developing countries, and the policies available to their governments to cope with these problems. It suggests that governments have often failed to give stabilisation adequate weight in the past and makes suggestions for strengthened policies. It also devotes much attention to the policy conditions attached by the IMF to most of its credits, and the impact of these. It argues that these have been designed within too narrow and short-term a framework and have not brought the results that the Fund desires. It makes a variety of suggestions for changed Fund policies, including a detailed presentation of an approach related more to the productive system. The second volume includes case studies of Indonesia, Jamaica and Kenya, and a survey of Latin American experiences. The project was chiefly funded by a major grant from the Overseas Development Administration.

Overseas Development Assistance Reconsidered (Roger Riddell)

The concept of aid, the common term for overseas development assistance, and its ability to assist development has been challenged increasingly in recent years from both the Right and Left. ODI sees a need to step back from scrutinising day-to-day issues of aid transfers and to take a broader view, examining the ethical and theoretical assumptions underlying the different lines of criticism and, where possible, the evidence used to support them. During 1983 such a project was prepared and funding secured from the Leverhulme Trust. Substantial work on it began in January 1984 with the appointment of Roger Riddell who will carry out the study in conjunction with Tony Killick. To date an extended bibliography and working papers outlining some of the major issues have been prepared. The project is expected to be completed in 1985.

Aid Effectiveness

Towards the end of 1983 the joint World Bank/IMF Task Force on Concessional Flows drew up a comprehensive project to identify conditions under which aid is effective in promoting development and to recommend ways in which effectiveness can be improved. ODI was invited to participate in two of the seven country studies: Malawi, which Adrian Hewitt will cover with another researcher, and Kenya, in which Tony Killick has an advisory role. The country-study approach is employed to consider the workings of aid in a particular policy environment; the 'systemic' effects of foreign aid interventions on the development programmes and financing capacity of receiving governments are to be analysed; and the growth and distributional consequences of development assistance are to be assessed.

The Prospects for Direct Investment by British Companies in Developing Countries (Sheila Page)

In recent years a new type of direct investment, in which only certain stages of production are transferred abroad, has joined the more traditional form in which the foreign subsidiary produces a complete product for a foreign market. Although the basic explanation for this is the same — cost advantages in the developing country — the application is very different. The emphasis of the new type is much more on production costs rather than transport costs or tariffs, for example, and on links with the parent company and home market. The purpose of this study, which is funded by the National Economic Development Office, is to examine the experience of a small number of firms to determine what criteria and problems have been most important in practice. It will be closely associated with the direct investment component of the 'Trade and Financing Strategies' study.

Indian Handicrafts (Vincent Cable and Ann Weston)

The handicrafts sector has emerged as an important source of foreign exchange and employment in India, and this research examined the prospects for its continued expansion. Fieldwork was carried out on four industries: handlooms, hand-knotted carpets, art metalware and handprinted textiles. The project was carried out in collaboration with Industrial Development Services, New Delhi, and funded jointly by the Ford Foundation, the Indian Council for Research on International Economic Relations (ICRIER), and the Overseas Development Administration. ICRIER organised a conference in November 1983 to consider the final report of the project. This suggested that the future expansion of the handicrafts sector may not be easy and that its benefits may not be as widespread as originally supposed by policy makers. Although the growth of protectionism, especially by means of import quotas, is a real source of difficulty for handlooms, it concluded that the more important barriers to trade lie within India itself, notably the problems of quality control, innovation and, to a lesser extent, trade promotion. Various government measures impinge upon this sector, not always as desired and the report makes a variety of policy recommendations aimed at improving the

conditions of the artisans as well as increasing trade.

Macroeconomic Stabilisation, Income Distribution and Poverty (Lionel Demery and Tony Addison)

Towards the end of 1983, as an out-growth of earlier ODI work on the development implications of IMF supported macroeconomic stabilisation policies, a study was initiated on the consequences for income distribution and poverty of alternative approaches to balance of payments management. Not only are the distribution effects of intrinsic policy importance but they may also affect the feasibility of implementing an economic stabilisation programme or be a source of political instability. It is often said that the burden of adjustment falls disproportionately on the poor but this view derives mainly from Latin American experience and may not hold for countries with different economic structures and policy approaches. The ODI study will broaden the empirical base for addressing these issues and will combine case-study research conducted by locally-based collaborators in five countries (India, Jamaica, Kenya, Sri Lanka and Zimbabwe) with systematic comparative analysis by the ODI participants. The project is funded by the International Development Research Centre of Canada and the Overseas Development Administration. It will be completed in 1985.

Labour Conditions and Wages in Newly Industrialising Asian Countries (Lionel Demery and Tony Addison)

This project will examine the impact of export-led industrialisation on labour conditions in the newly industrialising countries (NICs) of East and South East Asia and the appropriateness of international labour standards in this context. It has been suggested that this export-led strategy has had adverse consequences for labour and that, insofar as these constitute unfair competition, preferential access to industrial country markets should depend on the observance of international labour standards. The project will seek to establish empirically what changes in labour conditions are attributable to this strategy, based on selected case studies in Korea, Malaysia, Taiwan and Thailand. The inclusion of Korea and Taiwan which have gone beyond the labour-intensive phase and developed skill-intensive industries will direct the research to longer-term considerations. If the evidence permits, the relevance or otherwise of international labour conventions will be assessed. Funds for ODI's costs have been secured from the Leverhulme Trust and the project will commence in 1984 when funds for overseas costs are obtained.

Agricultural Administration

The Agricultural Administration Unit continued to focus its interest on organisational, management and socio-economic constraints affecting the agricultural income and production of small farmers and stock keepers.

(i) *Delivery of farm services*

The appropriate role of government in supporting small-scale agriculture has

been a particular concern of John Howell. Following field work in Orissa State, India, in areas assisted by the Indo-British Fertiliser Education Project, he completed a study of the performance of publicly-controlled services, including extension, credit and fertiliser supply, and the access of smaller farmers to them. He concluded that lack of demand, rather than inherent weaknesses in public provision, is a major factor in assessing the efficiency and accessibility of services. He examined agricultural extension requirements and organisation in southern Tanzania also, as part of a technical assistance assignment. Much of this work in India and Tanzania was used in publications on the 'Training and Visit' system of extension.

(ii) *Land rights and irrigation*

As a result of their disappointing performance many African irrigation schemes are being re-evaluated. It is important to establish how far inappropriate tenancy arrangements and management structures rather than a hostile physical or economic environment have contributed to their failure. Mary Tiffen plans to research in this neglected area and funds are being sought.

(iii) *Shifting cultivation on forest land*

Clare Oxby was commissioned by the Forestry Department of FAO to co-ordinate a study on alternatives to and improvements in shifting cultivation in the use of forest land in Africa, with particular reference to the acceptability of changes to farmers. The study stemmed from a growing concern about rates of deforestation and the role of shifting cultivators who clear forest for farming. She carried out a case study on Madagascar and there were also studies on Ghana, Ivory Coast, Senegal, Sierra Leone and Tanzania. Her general report concluded that shifting cultivation per se (ie. long fallow farming) is rare in Africa today and is not usually associated with permanent deforestation but its degraded form (i.e. short fallow farming) may cause long-term environmental degradation: population pressures and land shortages are forcing farmers to shorten the fallow period. The improvements and alternatives discussed include various agroforestry and community forestry techniques and examples of projects and progress with their implementation are set out in her report.

(iv) *The social organisation of herd management among African stock-keepers*

Evaluations of the development programmes aimed at livestock-keeping communities in the 1970s have revealed a poor success rate. Stock-keepers have resisted standard improved techniques of animal production and range management. Starting with a desk study, Clare Oxby proposes to document the current complexity of livestock management practices among African pastoralists and agro-pastoralists, particularly the relationships between stock owners, managers and herdsmen and the recent increases in absentee ownership and paid herding labour. She will then examine the implications for livestock planning. Funding is being sought.

(v) Influence of government on rural employment

A further area of work concerns the impact of government policies on the level and nature of rural employment. In Egypt emigration to the Gulf has diminished labour supply to farms and increased its prices. Major policy decisions in favour of mechanisation have been taken on the assumption that this will continue, despite a 2.4 per cent annual increase in the labour force which may ultimately prove difficult to absorb into employment. Following a visit to Egypt, Simon Commander has initiated a study, in collaboration with the Department of Agricultural Economics, Zagazig University, of the impact of mechanisation and migration on employers and employees in three villages. This has the aim of providing a sounder understanding of the labour market as a basis for policy decisions.

The Overseas Research Fellowship Scheme

This Scheme was inaugurated in 1979, with full funding from the Overseas Development Administration, as a means of enabling British social scientists to respond to the research priorities of developing countries as seen by those countries, at the same time helping to maintain the cadre of British researchers with experience of empirical policy-oriented research on development problems. Links were established with several overseas research institutions to which, by December 1982, a total of six Research Fellows had been appointed jointly by ODI and the host institution, generally for two-year periods. Unfortunately, not long after the Scheme was launched the number of new appointments was restricted for financial reasons and recruitment has now been suspended. The three Research Fellows in post during 1983 were:

Bill Kinsey, economist, at the Centre for Applied Social Sciences, University of Zimbabwe, from March 1982; undertaking a study of stress factors in voluntary resettlement and their relationship to nutrition and health.

Elizabeth Thomas-Hope, geographer, at the Institute of Social and Economic Research, University of the West Indies, from September 1982; studying relationships between agricultural production and population mobility in Jamaica.

Alistair Sutherland, sociologist, at the Rural Development Studies Bureau, University of Zambia, from January 1983; working with the Ministry of Agriculture's Adaptive Research Planning Team.

The Outreach Programme

ODI attaches great importance to its efforts to increase public awareness of the problems of developing countries and, by elucidating development issues, to influence the policy responses of governments and international agencies. Its efforts in these directions take a variety of forms as described below.

Publications

Full details of the publications produced in 1983 are given in Appendix B on page 34, from which it will be seen that three new full-length books appeared, published jointly with other publishers and institutes. Christopher Stevens edited *EEC and the Third World: A Survey 3: The Atlantic Rift*. This examined the conflict between the policies of the EEC and the United States towards the Third World, and included a contribution from Willy Brandt. *Protectionism and Industrial Decline*, by Vincent Cable, presented some of the conclusions of recent ODI work on the protectionism-free trade controversy; and *Management of Pastoral Development in the Third World* by Stephen Sandford, an extensive study of policies and approaches to pastoral development, was published in July. In addition, August saw the publication of *Europe et Tiers Monde*, a French translation financed by the European Commission of selected chapters from *EEC and the Third World: Surveys 1 and 2*.

Six new *Briefing Papers* were produced during the year, and following a trend established in 1982, press conferences were arranged to coincide with the publication of four of the Papers. Interest in the Briefing Paper series has continued to grow and some 3,000 copies are distributed regularly in Britain and abroad. The readership far exceeds this number since two-thirds of the mailing list consists of libraries, government, business and other organisations.

The first two issues of *Development Policy Review*, the successor to *ODI Review*, appeared in May and November. John Howell and Sheila Page took over as joint editors from issue No.1 1984. The new co-publication arrangements with Sage Publications have worked well and are expected to result in an increased readership.

In addition the Agricultural Administration Unit (AAU) continued its distribution of papers on specialist subjects to members of its Networks. Three Networks are maintained: on Agricultural Administration, on Irrigation Management and on Pastoral Development. Each comprises 500/700 members drawn from a wide range of nationalities, professional backgrounds and disciplines and located in over 60 countries. In all, 19 research and discussion papers and newsletters were issued in 1983. Enquiries about Network Papers and meetings programmes should be addressed to the AAU Administrative Secretary at ODI.

Meetings and Conferences

Eleven in the Institute's regular series of lunch-time discussion meetings were held in 1983, which continued to attract good audiences embracing a broad spectrum of interests. Details of the speakers and their subjects are given in Appendix C. The Institute was particularly pleased to include amongst the speakers Shridath S. Ramphal, Commonwealth Secretary-General, and the Rt Hon Timothy Raison, MP, Minister for Overseas Development. Edited versions of two presentations, by Mr Ramphal and Professor Radha Sinha, were published in *Development Policy Review*. In addition the Agricultural Administration Unit arranged four meetings for Irrigation Network members and a further four for Agricultural Administration Networkers.

As an extension of ODI's outreach work, two off-the-record seminars for specially selected audiences were held. In January a small group of MPs, senior officials from Britain and other European donor governments, and others active in development participated in a seminar to consider some of the major issues which arise in implementing a poverty-related aid strategy. This was followed in March by a meeting of senior specialists on the commercial debt problems of developing countries which discussed the relationship between the international operations of commercial banks and the activities of the IMF.

In July the Agricultural Administration Unit organised an international workshop at Cumberland Lodge, Windsor, on financing the recurrent costs of agricultural services in developing countries. Funding for participants and workshop costs came from Barclays Bank, Shell Petroleum International, the Ford Foundation and American, Canadian and Swedish government agencies. It was attended by researchers, donor agency representatives and senior government officials from thirteen developing countries. A selection of workshop papers will be edited by John Howell in 1984 for publication in book form. In the same month ODI again organised the UK press launch for the World Bank's *World Development Report 1983*. The report was introduced by Munir Benjenk, Vice President of the Bank's External Relations Department, and Pierre Landell-Mills, the Staff Director of the *Report*, and resulted in the usual good press coverage.

Finally, as a new departure ODI organised a half-day fee paying conference in October, aimed primarily at the business and banking sectors. The conference, which compared international economic forecasts and their policy implications for developing countries, attracted over 70 participants. Given the level of interest generated, it is intended to make this an annual event. ODI plans to organise further fee-paying conferences on themes of interest to the business community.

Library and Information

The library is designed primarily to serve the requirements of the staff but is also open to the public, for reference only, on Mondays to Fridays between 10 am and 5 pm. The library collection reflects ODI's research interests and is particularly strong in literature on Africa and Asia but it attempts to cover

most aspects of development throughout the developing world. The subjects covered include economic and social development, agricultural and rural development, aid, finance, foreign trade, labour and social conditions. Bibliographies, guides, directories, statistics and general reference books support the collection, which now consists of about 16,000 books and pamphlets. In addition ODI has a special collection assembled by the AAU of some 4,000 documents on agricultural administration, including irrigation and pastoralism, much of it unpublished material.

The book stock is supplemented by a collection of current press releases and press clippings, as well as a considerable number of periodicals. At present over 300 titles are received. The journal articles are indexed on receipt by subject and geographical region, as applicable. This periodicals index serves as a valuable current awareness tool. Every two months the library compiles from it the *Periodicals Reference Bulletin* which lists the longer and more substantial articles in a classified sequence. The *Bulletin* is available through subscription (£8 pa) or exchange. The current distribution extends to more than 30 countries.

The use of the library by the public has increased notably during the past year. About 400 visitors from different parts of the globe came to use the library. This increase is partly due to the improved access to the library collection via the joint ODI-AAU catalogue. In addition to enquiries in person, many queries were received by phone and in writing and were dealt with as fully as possible within the limits of staff resources.

During 1983 the Librarian, Andrea Siemsen, was asked for advice by organisations in the USA, Ireland and this country on setting up their own library systems. Her attendance at the Working Group on Documentation and Information of the European Association of Development Institutes has led to increased contacts and a number of exchange arrangements with fellow EADI members.

Other Outreach

Members of staff engage in a multiplicity of other promotional, educational and advisory activities, in this country and further afield, as part of ODI's outreach effort. The following instances serve to illustrate the diversity of this side of ODI's work.

In the first place staff are active in professional associations eg. the Development Studies Association, Tropical Agriculture Association, Political Studies Association, The Fellowship of Engineering, British International Studies Association and University Association of Contemporary European Studies, and in study groups set up by allied organisations eg. Chatham House and the ESRC groups on International and Development Economics. As well as giving formal lectures to university audiences, they have also been in demand as speakers for professional training courses eg. for young British and European diplomats, for ODA staff, at the Royal College of Defence Studies and for a course for trade officials organised by GATT in Geneva.

Staff have been active contributors to a number of conferences. Arising

from his work on EEC-Third World matters Christopher Stevens was invited to speak at several international conferences including one in Japan organised by *The Economist* and Daewoo Securities, an ASEAN-EEC conference in Bangkok, and conferences at the Centre for Development Studies in Lisbon and the British Chamber of Commerce in Brussels. Tony Killick addressed audiences in Bonn and Copenhagen under the auspices of the Friedrich Ebert Stiftung and Copenhagen University respectively, and nearer home gave presentations on investing in developing countries at two CBI events. Mary Tiffen presented a paper on Peasant Participation in District Water Planning at a colloquium arranged by the University of Paris and attended a Workshop on water management at Cornell University under USAUD auspices. Adrian Hewitt acted as rapporteur for a weekend conference of the Ditchley Foundation on Africa in the World Economy which was attended by political figures, officials, businessmen and academics from the USA, Europe and Africa as well as Britain. An account was published as Ditchley Conference Report No. 1, 1983/84. Vincent Cable was rapporteur for a conference organised by the Cane Sugar Liaison Committee on the future of the ACP/EEC sugar protocol, the proceedings of which were published by the Commonwealth Secretariat.

A number of substantial advisory assignments were undertaken, in addition to those closely linked to the research programme and mentioned earlier. Adrian Hewitt was appointed specialist adviser to the House of Lords Select Committee on the European Communities for its enquiry, which began in October 1983, into issues arising from the negotiation of a successor to the Lomé Convention. Other members of staff gave evidence. Early in 1983 Christopher Stevens was commissioned by FAO to act as policy adviser on agricultural issues to the ACP Group in preparation for these negotiations and will follow this up with further work in the coming year. Tony Killick undertook two assignments in Nairobi for the Government of Kenya, one to work on the 1983 Economic Survey and the second on the Fifth Development Plan. He also advised the University of Copenhagen on setting up a Centre for African Studies. Tony Killick, Vincent Cable and Sheila Page prepared three papers for the Commonwealth Secretariat study on the International Finance and Trading System for discussion by Commonwealth Finance Ministers.

Finally, mention should be made of ODI's continuing links with other non-governmental organisations (NGOs). As a member of the International Broadcasting Trust, ODI participated in several of its working groups. As another co-operative venture, this time with other European organisations, Adrian Hewitt was a member of the editorial board of the Lomé Briefing series, produced for the Liaison Committee of EEC NGOs. Thirteen papers were produced during 1983 with seven more planned for 1984.

These activities provide a firm foundation on which to build the expanded programme for which ODI aims in the coming years.

ODI Fellowships

The ODI Fellowship Scheme was started in 1963. One of its objectives is to allow able young graduates in economics and related fields to gain practical development experience by arranging for them to work for two years in ministries or parastatal organisations in developing countries. In addition to providing Fellows with a valuable educational experience, the Scheme also provides host governments with high calibre staff at the junior professional level, where gaps in manpower often exist. Competition for Fellowships is always keen — in recent years candidates have outnumbered places by more than ten to one — and the standard of applicants high.

Most Fellows are assigned to government ministries where they undertake a wide variety of assignments, calling for both economic and administrative skills. Some Fellows are engaged in macroeconomic work in central planning offices, others work in sectoral ministries, for example agriculture, industry, trade, transport and communications, education and health where they may assist in sector planning, examine investment proposals, prepare aid applications, appraise and evaluate projects, or may be called upon to make recommendations on import policy or price control. Other Fellows have been engaged on fiscal questions, monetary policy and international economic relations, while one or two have worked as economic statisticians. In most years a few Fellows are assigned to parastatal organisations, such as credit institutions, development corporations and marketing boards, where commercial as well as economic considerations apply.

Although Fellows are selected and appointed by ODI, they are employees of the governments for whom they work. The latter therefore bear local employment costs, while the former, by virtue of a grant initially from the Nuffield Foundation and since 1966 from the Overseas Development Administration, provides salary supplementation and meets the costs of Fellows' passages and other expenses. From 1972 onwards ODA has also provided the Institute with a grant for administering the Scheme.

Since its inception there has been a geographical shift in Fellows' postings, in response to changes in demand by overseas governments. As shown in the table, most Fellows at present are posted to Southern Africa, rather than East Africa, as in early years, and since 1975 Fellows have been posted to the Caribbean. However signs are appearing of a slackening in demand from some of the countries in these areas as the number of qualified local graduates increases and the Institute, in consultation with ODA, has been examining the possibility of incorporating other countries into the Scheme. The first step was taken in 1983 with the placement of a Fellow in Uganda, where the Scheme had operated until 1972, and in early 1984 exploratory visits will be made to Papua New Guinea and Fiji with a view to introducing the Scheme in the South Pacific. Another notable recent development has been the increasing number of Fellows with postgraduate qualifications and/or some work experience.

Starting with a modest three appointments in 1963 the Scheme grew steadily, rising to fifteen appointments in 1977 and 1978. Financial constraints have since reduced the number of new appointments to a maximum of twelve a year. The table below shows that eleven Fellows were appointed in 1983, nine men and two women. Eight had completed postgraduate degrees before taking up their appointments. Appendix A on page 33 lists all Fellows in post during 1983.

	1963/80	1981	1982	1983
Sierra Leone	1	—	—	—
Kenya	12	—	—	—
Uganda	8	—	—	1
Tanzania	16	1	—	—
East African Community	4	—	—	—
Zambia	18	—	—	—
Malawi	29	3	2	1
Botswana	44	4	3	3
Lesotho	16	1	—	3
Swaziland	23	—	2	2
Mauritius	1	—	—	—
Dominica	1	—	1	—
St Lucia	5	—	1	—
St Vincent	3	1	—	1
Belize	5	1	1	—
Totals	186	11	10	11

After completing their assignments Fellows enter a wide variety of fields. From the information available it is estimated that around 30% work in the private sector in the UK and overseas, around 20% work in the public sector in this country, a similar percentage in international bodies, and in universities and research institutions, with the remainder employed in the public sectors of developing countries. A further analysis of former Fellows reveals that nearly one half of those whose occupations are known are working wholly or mainly on world development affairs. A complete list of former Fellows, including their most recent employment, if known, is available on request from the Administration Department of ODI.

Overseas Development Institute: Accounts

Balance Sheet at 31 December 1983

	Note	1983		1982	
		£	£	£	£
Fixed assets:					
Tangible assets	3		2,811		8,968
Investments	4		167,268		217,566
Current assets:					
Stocks		2,294		2,702	
Debtors:					
Trade debtors		264		157	
Other debtors:					
grants in arrear		16,417		22,318	
other debtors		5,023		9,858	
Prepayments and accrued income		12,346		12,796	
Cash at bank and in hand		63,420		80,742	
		<u>99,764</u>		<u>128,573</u>	
Creditors: amounts falling due within one year					
Payments received on account					
— Grants in advance		35,977		33,288	
Trade creditors		1,841		2,957	
Taxation and social security		7,510		9,192	
Accruals and deferred income		20,124		39,464	
		<u>65,452</u>		<u>84,901</u>	
Net current assets			34,312		43,672
			<u>204,391</u>		<u>270,206</u>
Accumulated Funds					
Ford Foundation					
Capital Grant Fund	5	143,268		143,268	
General Fund	5	61,123		126,938	
		<u>204,391</u>		<u>270,206</u>	

The accounts were approved by the Council at a meeting held on 17 April 1984.
The attached notes form part of these accounts.

Directors George Bishop
Julian Watham

Income and Expenditure Account for the year ended 31 December 1983

	Note	1983		1982	
		£	£	£	£
INCOME					
Grants and project finance per Schedule			383,929		408,142
Income from fixed asset investments:					
Income from Ford Foundation					
Capital Grant Fund:					
Listed investments		5,717		5,405	
Unlisted investments		9,486		9,000	
Income from General Fund:					
Interest receivable		5,750		7,821	
Listed investments		3,821		6,250	
Unlisted investments		485		473	
			25,259		28,949
Other operating income:					
Gain on sale of investments					
(Ford Foundation Capital Grant Fund)		—		702	
Single donations		6,044		10,166	
Promised annual donations		6,475		10,050	
Deeds of covenant receivable		6,307		5,939	
Library revenue		440		335	
Publications revenue		8,312		7,544	
Conference income		2,045		—	
			29,623		34,736
			438,811		471,827
EXPENDITURE					
Staff costs	6	336,225		308,933	
Depreciation and other					
amounts written off tangible fixed assets	3	11,714		5,062	
Other operating charges:					
Fees and other research expenditure		10,375		38,083	
Rent, rates, services, light and					
power		39,996		36,398	
Expenses of Overseas Research Fellows		18,379		12,142	
Travel		15,708		34,335	
Printing, stationery, postage					
and telephone		30,035		24,052	
Entertainment, meetings and					
conference expenses		9,441		1,621	
Insurance		2,250		2,022	
Repairs and renewals		3,218		1,655	
General office expenses		8,318		7,226	
Staff recruitment		2,400		2,700	
Professional fees		1,486		1,415	
Audit fees		1,050		1,000	
Publications expenses		13,733		12,204	
Loss on redemption of investment					
(General Fund)		298		—	
			(504,626)		(488,848)
			(65,815)		(17,021)
Excess of Expenditure over Income					

The attached notes form part of these accounts.

Income and Expenditure from Grants and Project Finance for the year ended 31 December 1983

Schedule

	Grants in advance 1 January 1983 £	Grants in arrears 1 January 1983 £	Receipts £	Expenditure directly reimbursed £	Funds credited to income and expenditure £	Grants in advance 31 December 1983 £	Grants in arrears 31 December 1983 £
PROGRAMME GRANTS							
World Bank	8,608		6,777		10,387	4,998	
Overseas Development Administration (ODA)			58,750		58,750		
PROJECT GRANTS							
<i>Fellowship Schemes:</i>							
Overseas Development Administration:							
ODI Fellowship Scheme	3,124		113,613	97,801		18,936	
Overseas Research Fellowship Scheme	7,963		62,012		63,641	6,334	
Administration expenses			28,250		28,250		
<i>Agricultural Administration Unit:</i>							
ODA General Grant	2,666		87,318		90,159		175
FAO		3,071	17,244		14,890		717
<i>A Study of Small Farmer Services in India:</i>							
ODA	704		9,084		9,788		
<i>International Workshop on the Recurrent Costs of Agricultural Services:</i>							
Barclays Bank Development Fund			5,060		5,060		
Commonwealth Foundation			7,415	5,847	1,568		1,825
Ford Foundation			4,700	5,243	1,282		
International Development Research Centre			2,945	2,283	662		
Shell International Petroleum Co.			3,000	2,105	895		
USAID			7,091	5,609	1,482		
<i>A Study of Stress Factors in Voluntary Resettlement and the Relationship to Nutrition and Health:</i>							
ODA					3,029		3,029

<i>An Evaluation and Programming Study of Machakos Integrated Development Programme:</i>					
Commission of the European Communities	16,463	31,934	15,471		
<i>A Survey of European Community Policies towards Developing Countries:</i>					
Institute of Development Studies, Sussex	6,790	11,847	14,276	4,361	
Centre for European Policy Studies			1,200		1,200
<i>A Study of Product Diversification in ACP Exports:</i>					
ODA		9,797	1,847	8,487	537
<i>A Study of Economic Management in Developing Countries:</i>					
ODA	2,771	2,771			
<i>A Study of Indian Exports from Cottage Industries:</i>					
ODA	13	13			
Ford Foundation		3,305	3,305		
<i>A Study of the International Financial and Trading System:</i>					
Commonwealth Secretariat	2,500	5,500	8,000		
<i>A Study of Malawi — EEC Relations under the Lomé Convention:</i>					
ODA		9,693	9,693		
<i>A Seminar Paper on Issues for UNCTAD VI:</i>					
UNCTAD	933	323	1,256		
<i>A Study of Trade and Financing Strategies for Developing Countries in the 1980s:</i>					
ODA		23,612	22,264	1,348	
<i>A Study of Investment by UK Companies in Developing Countries:</i>					
NEDO			196		196
<i>A Study of Macroeconomic Stabilisation, Income Distribution and Poverty:</i>					
ODA			7,521		7,521
<i>A Study of ACP Export Earnings and Import Capacity Stabilisation:</i>		1,000	2,217		1,217
Commonwealth Secretariat					
<i>Briefing Papers:</i>					
Trocadre		200	200		
	<u>33,288</u>	<u>513,254</u>	<u>383,929</u>	<u>35,977</u>	<u>16,417</u>
	<u>22,318</u>	<u>120,735</u>			

Statement of Source and Application of Funds for the year ended 31 December 1983

	1983	1982
	£	£
Source of Funds		
Excess of expenditure over income	(65,815)	(17,021)
Adjustment for items not involving flow of funds:		
Depreciation	11,714	5,062
Loss on sale of tangible fixed assets	—	291
Loss/(gain) on sale/redemption of investments	<u>298</u>	<u>(702)</u>
	<u>12,012</u>	<u>4,651</u>
Total generated from operations	(53,803)	(12,370)
Funds from other sources:		
Sale of tangible fixed assets	—	161
Sale/redemption of investments	<u>49,999</u>	<u>20,707</u>
	<u>(3,804)</u>	<u>8,498</u>
Application of Funds		
Purchase of tangible fixed assets	5,556	4,579
Purchase of investments	<u>—</u>	<u>20,707</u>
	<u>(5,556)</u>	<u>(25,286)</u>
Decrease in Working Capital	<u>(9,360)</u>	<u>(16,788)</u>
Represented by:		
Decrease in stocks	(408)	(662)
Decrease in debtors	(11,079)	(7,584)
Decrease/(increase) in creditors:		
amounts falling due within one year	19,449	(14,140)
Movement in net liquid funds:		
(Decrease)/increase in cash balances	<u>(17,322)</u>	<u>5,598</u>
	<u>(9,360)</u>	<u>(16,788)</u>

Notes on the Accounts

1. The Overseas Development Institute (ODI) is a company limited by guarantee. The memorandum of association restricts the liability of members on winding up to £1. In the case of winding up none of the reserves is distributable to the members but shall be given or transferred to some other charitable institution having similar objects to ODI.
2. Accounting Policies
 - a. The accounts have been prepared under the historical cost convention.
 - b. Income and expenditure are dealt with on an accruals basis.
 - c. Stock of publications is valued at the lower of cost and net realisable value.
 - d. Fixed assets are depreciated at the following rates:
 Fixtures and fittings — on a straight line basis at 10% per annum.
 Equipment — on a straight line basis at 20% per annum. (1982: 12.5% per annum reducing balance)
 Office partitions — the entire balance has been written off this year as the lease on the premises is due to expire in August 1984
 Library — all additions are written off in the year of acquisition
 - e. Certain expenditure is charged directly to specific grants as shown in the attached schedule.
3. Tangible fixed assets

	Office conversion £	Furniture, fixtures and fittings £	Equip- ment £	Library £	Total £
Cost:					
Balance at 1 January 1983	6,333	2,528	9,710	27,166	45,737
Additions	—	405	610	4,542	5,557
Disposals	—	—	—	—	—
Balance at 31 December 1983	<u>6,333</u>	<u>2,933</u>	<u>10,320</u>	<u>31,708</u>	<u>51,294</u>
Depreciation:					
Balance at 1 January 1983	4,244	1,122	4,237	27,166	36,769
Charge for the year	2,089	294	4,789	4,542	11,714
Disposals	—	—	—	—	—
Balance at 31 December 1983	<u>6,333</u>	<u>1,416</u>	<u>9,026</u>	<u>31,708</u>	<u>48,483</u>
Net Book Value:					
At 31 December 1983	<u>Nil</u>	<u>1,517</u>	<u>1,294</u>	<u>Nil</u>	<u>2,811</u>
At 31 December 1982	<u>2,089</u>	<u>1,406</u>	<u>5,473</u>	<u>Nil</u>	<u>8,968</u>

The charge for depreciation in 1983 has been increased by £4,988 as a result of the change in depreciation methods referred to in Note 2.

4. Investments

	1983		1982	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Unlisted:				
General Fund	24,000	43,260	24,000	31,045
Ford Foundation Capital Grant Fund	73,398	119,468	73,398	102,714
Listed on the Stock Exchange:				
General Fund	—	—	50,298	51,250
Ford Foundation Capital Grant Fund	69,870	83,044	69,870	81,111
	<u>167,268</u>	<u>245,772</u>	<u>217,566</u>	<u>266,120</u>

All of the unlisted investments are authorised Unit Trusts, and have been valued at the average of bid and offer prices at the year end.

5. Reserves

	Ford Foundation Capital Grant Fund	Income and Expenditure account
	£	£
Balance at 1 January 1983	143,268	126,938
Excess of expenditure over income	—	(65,815)
Balance at 31 December 1983	<u>143,268</u>	<u>61,123</u>

6. Staff numbers and costs

The average number of persons employed by the company during the year was 25 (1982: 25). The aggregate payroll costs of these persons were as follows:

	1983	1982
	£	£
Wages and salaries	271,075	257,410
Social security costs	18,548	16,698
Other pension costs	46,004	34,270
Other	598	555
	<u>336,225</u>	<u>308,933</u>

7. The Members of Council received no emoluments in the year to 31 December 1983 (1982: £Nil).

Report of the Auditors to the Members of Overseas Development Institute

We have audited the accounts on pages 22 to 28 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared on the basis of the accounting policies set out on page 27 give a true and fair view of the state of the company's affairs at 31 December 1983 and of the excess of expenditure over income and source and application of funds for the year to that date and comply with the Companies Acts 1948 to 1981.

London
17th April 1984

Peat, Marwick, Mitchell & Co.
Chartered Accountants.

Report of the Council

To be presented at the Twenty-Fourth Annual General Meeting

The Council has pleasure in presenting the Accounts of the Institute for the year ended 31 December 1983.

Before discussing the 1983 results, it should be noted that, following established practice, certain items of expenditure have not been brought into the main Income and Expenditure Account but are shown as directly reimbursed in the Schedule of Income and Expenditure from Grants and Project Finance on pages 24 and 25. This applies for instance to expenditure on passages and allowances of ODI Fellows, amounting to £97,801 in 1983, which is recoverable in full from the Overseas Development Administration. The international travel costs of participants at the International Workshop on the Recurrent Costs of Agricultural Services, which were reimbursed from grants, have been treated similarly. A further entry in this column related to part of a research grant which was passed on to the Institute of Development Studies, Sussex, in respect of the Research Officer holding a joint ODI/IDS appointment.

Turning to the Income and Expenditure Account, it was recognised from the beginning of the year that the gap during 1982 in the flow of research applications to funders made a deficit in 1983 inevitable. In the event unfortunately the deficit was larger than originally expected, part of the reason being that some of the research grants secured in 1983 were not drawn upon until 1984. Compared with 1982 when there had been a deficit of £17,021, expenditure rose moderately by £15,778 to £504,626 (£488,848 in 1982) while income fell more sharply by £33,016 to £438,811 (£471,827 in 1982). These adverse movements on both sides of the account combined to produce a short-fall in income against expenditure of £65,815.

Most categories of income contributed to the £33,016 (7%) fall in total revenue. Grants and project finance, which again constituted as much as 87% of the total, declined from £408,142 to £383,929. Details of the projects financed and donors are given in the Schedule on pages 24/25. From this it can be seen that programme grants, which are those not closely tied to particular projects and are a major source of finance for ODI's outreach work, amounted to less than one-fifth of the total at £69,137. This figure was slightly higher than in 1982 as were also the grants from ODA for the Agricultural Administration Unit and for the administration expenses of the two Fellowship Schemes. Thus the decline was concentrated on grants for research projects and the fall of £35,646 in such receipts more than accounted for the fall in total income. At the same time the Institute's independent income from investments also suffered as drawings had to be made on the General Fund, dropping from £28,949 in 1982 to £25,259 in 1983, and donations too fell back from the above-average figure of £26,155 in the previous year to £18,826.

These declines were offset to only a minor degree by a small rise in library, publications and conference income (up from £7,879 in 1982 to £10,797 in 1983).

The relatively small increase of £15,778 (3%) in total expenditure masks quite substantial movements in a number of the component items. Interest centres largely on the figure for staff costs, accounting for two-thirds of expenditure in 1983, which rose by £27,292 or 9% to £336,225 (308,933 in 1982). In large measure this increase reflects the increase in ODI's contributions as employer to superannuation for research staff which took effect in April 1983; staff numbers remained stable and average salaries increased by a little over 5%. A number of other items show significant increases over the previous year. Firstly it will be noted that additional amounts have been written off fixed assets (office partitioning and equipment) as explained in the Notes on page 27. There was a notable increase in expenditure on 'entertainment, meetings and conferences' reflecting the enhanced programme in this area and more particularly the International Workshop on Recurrent Costs of Agricultural Services. This increased expenditure was covered by grants or fee income. Expenses of Overseas Research Fellows which also rose are similarly recoverable from the Overseas Development Administration. Day-to-day operating expenses and accommodation costs continued upwards and the only large items to register reductions were 'fees and other research expenditure' and 'travel'. These two changes are related in that expenditure on both items had been exceptionally high in 1982 on account of the Machakos Evaluation and Programming Study which was initiated in that year.

The unfavourable course of events in 1983 is clearly pointed up in the Balance Sheet with the reserves reduced to £204,391 at year-end. Of this sum £143,268 relates to the Ford Foundation Capital Grant Fund which is regarded as an endowment fund. The General Fund was reduced by more than 50% to £61,123, equivalent to little more than six weeks expenditure at the current rate. The Council's aim is to at least balance the books in 1984, to prevent any further erosion of the reserves and if at all possible to start re-building the General Fund. While the opening months of 1984 show encouraging signs of improvement, further difficulties may be expected to arise in the course of the year when the Institute's lease on its present office premises expires. The immediate outlook is therefore still uncertain, the financial position remains tight and there is no room for complacency or relaxation of effort. The Council remains confident nevertheless of the Institute's ability to attract support for both its research and outreach programmes and of a much improved out-turn in 1984.

Council

Professor A.H. Bunting, Mr William Clark, Professor Walter Elkan, Mr A.D. Hazlewood, Mr Jack Jones, Mr Frank Judd, Mr Richard Kershaw,

Mr John Pinder and Mr W.A.C. Mathieson retire in rotation and, all being eligible, offer themselves for re-election.

Mr George Bevan, Sir Reay Geddes, Mr David Lawrence, Mr Charles Runge and Sir Michael Scott, having been appointed during the year, automatically cease to hold office and offer themselves for election.

Auditors

A resolution for the re-appointment of Peat, Marwick, Mitchell and Co. as auditors of the company is to be proposed at the forthcoming AGM.

Statutory Information

1. Principal Activities of the Institute — to provide a centre for research in development issues and problems and to conduct studies of its own; to be a forum for the exchange of views and information among those who are directly concerned with overseas development; and to keep the gravity of the problems before the public and responsible authorities.
2. The Institute is a Company Limited by Guarantee, not having a share capital. It is a non-profit-making registered charity. Members' liability is limited to £1 per head. It is not a trading company.
3. Council Members serve in an honorary capacity and receive no emoluments. They do not have contracts of service nor do they have a financial interest in the Institute.
4. In addition to the Council Members above, the following served on the Council for all, or part, of the year to which the Accounts refer: Chief A.C. Anyaoku, Mr R.W. Archer, Mr Martin Bax, Dr Charles Elliott, Professor Michael Faber, Professor P.D. Henderson, Dr Paul Howell, Mr Michael McWilliam, Sir Peter Meinertzhagen, Professor Edith Penrose, Mrs Rosemary Righter, Professor Sir Austin Robinson, Lord Roll, Mr T.D. Ross, Lord Seebohm, Mr Alistair Thomson, Dr William Wallace, Mr J.P.G. Wathen, Mr Douglas Williams, Professor P.R.C. Williams, Sir Geoffrey Wilson.
5. No donations were made for political purposes.

April 1984

On behalf of the Council
George Bishop, *Chairman*

Sources of Finance

We record our thanks and appreciation to the organisations and individuals listed below who have contributed to the Institute's income during the past year.

Programme and Project Finance

for 1983 received from: (see Schedule on pps.24/25 for details)

Barclays Bank Development Fund
Centre for European Policy Studies
Commission of the European
Communities
Commonwealth Foundation
Commonwealth Secretariat
FAO
Ford Foundation
Institute of Development Studies,
Sussex
International Development Research
Centre, Ottawa
NEDO
Overseas Development
Administration
Shell International Petroleum
Company Limited
Trocaire
UNCTAD
USAID
World Bank

Christian Aid
Commercial Union Assurance
Company plc
Coopers & Lybrand
The De La Rue Jubilee Trust
James Finlay plc
Grindlays Bank plc
F.O. Hooley
International Disaster Fund
E.W. Jacomb-Hood
R.W. Lake
Lloyds Bank plc
J. Loudon
Marks & Spencer plc
R.C. Mayne
Midland Bank plc
Mitchell Cotts plc
Morgan Grenfell International
National Westminster Bank plc
Ocean Transport & Trading plc
(P.H. Holt Trust)
The Oppenheimer Charitable Trust
N.R. Power
J. Henry Schroder Wagg and
Company Limited
Shell International Petroleum
Company Limited
Standard Chartered Bank plc
John Swire & Sons Limited
Unilever plc
J.D. Walters
R. Waring
A. Weir
D. Williams
Williams & Glyn's Bank plc

General Finance received from:

R.W. Archer
Baker Perkins Holdings plc
Bank of England
Banque Nationale de Paris plc
Barclays Group of Banks
The Baring Foundation
Blue Circle Industries plc
Booker McConnell plc
The British Petroleum Company plc
British Steel Corporation

Appendix A: ODI Fellows

Fellows in post during 1983

Botswana

- Carter L.W.E. (Cambridge University) Ministry of Works and Communications, 1983-85.
Chakrabarti S. (Oxford University) Ministry of Works and Communications, 1981-83.
Crosby J.L. (Leicester University) Ministry of Works and Communications, 1982-84.
Donaldson D.J. (Oxford University) Ministry of Finance and Development Planning, 1981-83.
Heald C.J. (Oxford University and Wye College, London) Ministry of Finance and Development Planning, 1981-82.
Kelly I.P. (Cambridge University) Ministry of Education, 1983-85.
Lewney R.G. (Universities of Cambridge and Massachusetts) Ministry of Finance and Development Planning, 1982-84.
Muggeridge E.A. (School of Oriental and African Studies, London and Oxford University) Ministry of Finance and Development Planning, 1983-85)
Shuttleworth G. (Cambridge University) Bank of Botswana, 1981-83.
Turner R.L. (Nottingham University) Ministry of Mineral Resources and Water Affairs, 1982-84.

Lesotho

- Andrew G.P. (Universities of Warwick and Manchester) Central Bank of Lesotho, 1983-85.
Borger J.M.S. (Oxford University) Ministry of Finance, 1983-85.
Gomar M.J. (Cambridge University) Lesotho National Development Corporation, 1981-83.
Kirk R.M. (Salford University) Lesotho National Development Corporation, 1983-85.

Malawi

- Appleby P.G. (Cambridge University) Department of Lands, Valuation and Water, 1981-83.
Geake M.E. (Exeter University) Ministry of Agriculture, 1981-83.
Liesner J. (Cambridge University) Ministry of Health, 1982-84.
Phillips M.W. (Universities of Cambridge and East Anglia) Ministry of Agriculture, 1982-84.
Spooner N.J. (Queen Mary College, London and Reading University) Department of Statutory Bodies, 1983-85.
Whitton K.C.S. (Cambridge University) Department of Statutory Bodies, 1981-83.

Swaziland

- Aeron-Thomas M. (Oxford University, London School of Economics, and Reading University) Swaziland Development and Savings Bank, 1983-85.
Dalrymple H. (Oxford and Cambridge Universities and Birkbeck College, London) Ministry of Works, Power and Communications, 1982-84.
Gilson L.J. (Universities of Oxford and East Anglia) Ministry of Health, 1983-85.
Hollman B.J. (Universities of Sheffield and Reading) Department of Economic Planning and Statistics, 1982-84.

Tanzania

Yates C.M. (Universities of Bristol and Oxford) National Price Commission, 1981-83.

Uganda

Edmonds K.R. (Universities of Cambridge and Sussex) Ministry of Planning and Economic Development, 1983-85.

Belize

Jarrah R.A. (Universities of Cambridge and Oxford) Ministry of Natural Resources, 1981-83.

Marlow D.J. (Universities of Oxford and East Anglia) Central Planning Unit, 1982-84.

Dominica

Thomas M.E.C. (Bristol University and School of Oriental and African Studies, London) Ministry of Agriculture, 1982-84.

St Lucia

Gordon A.E. (Newcastle University) Ministry of Agriculture, 1982-84.

St Vincent

Kupisz R.M. (Universities of Bristol and Warwick) Central Planning Unit, 1983-85.

Rutherford J.E. (Queen's University, Belfast and Sussex University) Central Planning Unit, 1983-85.

Appendix B: Publications during 1983

Books

EEC and the Third World: A Survey 3: The Atlantic Rift edited by Christopher Stevens. Published jointly with Hodder & Stoughton and the Institute of Development Studies, Sussex. 242 pages, March, paperback £6.95.

Protectionism and Industrial Decline by Vincent Cable. Published jointly with Hodder & Stoughton. 228 pages, May, paperback £10.50

Management of Pastoral Development in the Third World by Stephen Sandford. Published jointly with John Wiley. 310 pages, July, hardback £16.95.

Europe et Tiers Monde edited by Christopher Stevens, translated by Francoise Moore. Published jointly with the Institute of Development Studies, Sussex. 223 pages, August, paperback £5.00/FFr70.00.

Development Policy Review: Volume 1 Number 1, May

African Agricultural Development: the EEC's New Role, *Michael Lipton*

A Comparison of Macro-Economic Strategies in South America, *John Williamson*

Time for a Second Look at the Third World, *Dudley Seers*

Development Planning in Africa: Experiences, Weaknesses and Prescriptions, *Tony Killick*

Commodity Export Policy and Technical Assistance, *Leelananda De Silva*

Development Policy Review: Volume 1 Number 2, November

June 1983 (or was it '33?), *Shridath S. Ramphal*

UK Experience with Identifying and Implementing Poverty Related Aid Projects, *John Morris and George Gwyer*
Emerging Policy Issues in Zimbabwe's Land Resettlement Programmes, *B.H. Kinsey*
The Impact of the Common Agricultural Policy on Developing Countries Following the Enlargement of the European Community,
George N. Yannopoulos

Working Papers

Malawi's First Eight Years of Co-operation with the EEC: The Results of the Lomé Conventions, Working Paper 12 by *Adrian Hewitt*, £2.00.

Briefing Papers

EEC Development Policy after Lomé
Developing Country Bank Debt: Crisis Management and Beyond
World Trade: Trends and Negotiations
UNCTAD VI: Background and Issues
Refugees and the Third World
Economic Forecasts for the Third World

Agricultural Administration Unit Networks

(1) Agricultural Administration

'Strategy and Practice in the T and V System of Agricultural Extension', Discussion Paper 10 by *John Howell*, February.
'Reforming Agricultural Extension and Research Services in Africa', Discussion Paper 11 by *Jon Moris*, August.
'The Training and Demonstration System of Agricultural Extension in Northern Nigeria', Discussion Paper 12 by *Nick Chapman*, August.
'Identification of Priority Project Areas for Small Farm Development — A Case Study in India', Network Paper 16 by *C.D.S. Bartlett*, February.
'Administering Inland Fisheries Development in Madhya Pradesh' Network Paper 17 by *Sudarshan Singh*, August.

(2) Irrigation Management:

'Land Tenure in Irrigation Planning' by *Martin Adams and David Seddon*;
'Irrigation Systems — alternative design concepts', by *L. Horst*;
'One season of integrated water management in Andhra Pradesh' by *Syed Hashim Ali*;
'Non-agricultural uses of irrigation systems: past experience and implications for planning and design' by *Robert Yoder*; Issue 7, April.
'Using indigenous skills and institutions in small-scale irrigation: an example from Senegal' by *Geert Diemer and Ellen C.W. van der Laan*;
'Assistance needs of water users associations in their first years — the example of Pochampad' by *K.K. Singh*;
'The role of farmers in decision making on agricultural systems', by *Clare Oxby and Anthony Bottrall*;
'Alternative Design Concepts of irrigation systems' by *Mary Tiffen and Henry Gunston*; Issue 8, October.

(3) Pastoral:

'The Productivity of Sahelian rangelands — a summary report', by *F.W.T. Penning de Vries*;

'The effects of the 'development approach' on long term establishment of a grazing reserve in Northern Nigeria' by *G.K. Perrier* and *P.S. Craig*;
 'Herders and farmers, or, farmer-herders and herder-farmers?' by *Camilla Toulmin*; Series 15, January.
 'Pastoral Fulani reaction to grazing reserve development; the case of Ruma-Kukar-Jang-arai, Kaduna State, Nigeria' by *Moses O. Awogbade*;
 'Traditional concepts of animal disease and treatment among Fulani herdsmen in Kaduna State of Nigeria' by *M.A. Ibrahim, N. Nwude, Y.O. Alui* and *R.O. Ogunsusi*;
 'Principles of selected credit systems for livestock production and development' by *P.J. van Dooren*; Series 16 August.

Enquiries about Network Papers should be addressed to the AAU Administrative Secretary at ODI.

Development Policy Review is available from Sage Publications, 28 Banner Street, London EC1Y 8QE. Subscription rates are £17.50 (institutions) and £9.00 (individuals) per year; single copies £10.00.

Briefing Papers are supplied without charge and the mailing list is open to any organisation or individual who asks to be included. Applications should be made to the Publications Assistant, ODI, from whom details of all other ODI publications can be obtained. *Orders for publications should be prepaid, including an additional £1.00 per book for surface mail (£3.00 for airmail) to cover postage and packing.*

Appendix C: Lunch-time meetings during 1983

Domestic adjustment and the survival of the poor — Charles Elliott, Director, Christian Aid.

'*Rich Country Interests and Third World Development*' — Vincent Cable, Deputy Director, ODI, Ronald Dore, Assistant Director, Technical Change Centre, London and Just Faaland, Director, Christian Michelsen Institute, Norway.

Are global food supplies manageable? — Montague Yudelman, Director, Agriculture and Rural Development Department, World Bank.

The evolving debt crisis of Third World borrowers and the role of the international institutions — David Suratgar, Director, Morgan Grenfell and Co Ltd.

Some debatable issues in agricultural policy — Radha Sinha, Professor, Department of Political Economy, University of Glasgow.

Recovery and economic development: the immediate task ahead — Shridath S. Ramphal, Commonwealth Secretary General.

'*Banking on the Poor*': *The World Bank and world poverty* — Robert L. Ayres, Consultant, International Relations Department, World Bank.

Institutional and personal relationships within the ACP-EEC Conventions, and their impact on trade problems — Tony Thain, formerly Honorary Director, General Secretariat, Council of the European Communities.

Prospects for Lomé III — Christopher Stevens, Research Officer, ODI and Research Fellow, Institute of Development Studies, Sussex.

The world recession: the role of official aid — The Rt Hon Timothy Raison MP, Minister for Overseas Development.

Economic policies and prospects for Ghana — H.E. Kenneth Dadzie, High Commissioner for Ghana and Special Plenipotentiary with the rank of Secretary of State.

ODI Staff

(as at March 1984)

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The Overseas Development Institute (ODI) is an independent, non-government body aiming to promote wise action in the field of overseas development. It was set up in 1960 and is financed by official grants and private donations from British and international sources. Its policies are determined by its Council.

The functions of the Institute are:

- 1 to be a centre for research on development problems and policies;
- 2 to stimulate and encourage discussion of development issues;
- 3 to keep the importance of development questions before the public and responsible authorities.