

PROJETS

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Development in Guiné-Bissau : situation and perspectives

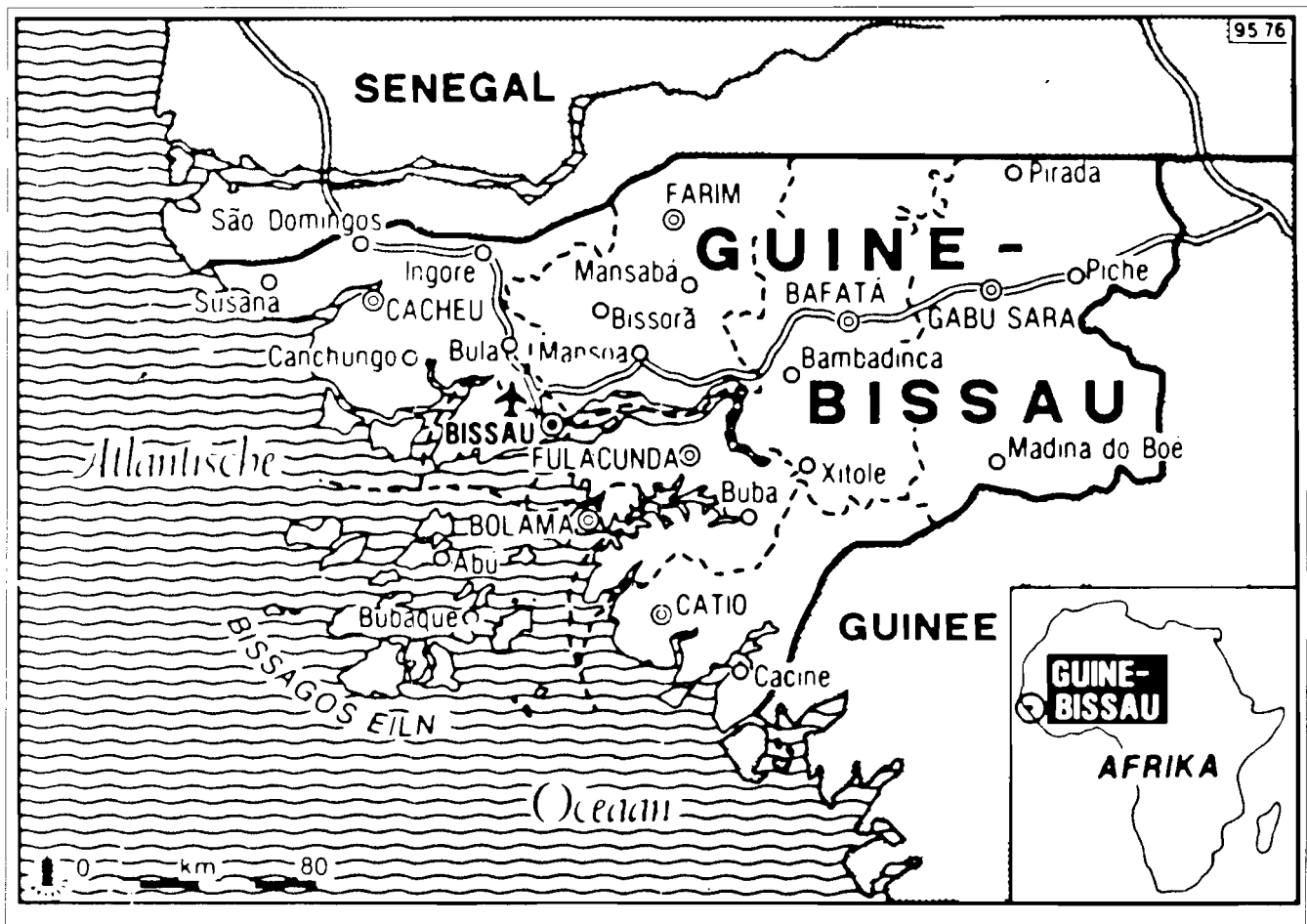
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Summary

Guiné-Bissau is a young nation with a lot of political, socio-economic and climatic problems. Some of these (budget, monetary and price policy, infrastructure) should be solved before rural development projects can be expected to have positive long term effects.

Résumé

La Guiné-Bissau est une jeune nation avec de nombreux problèmes, politiques, socio-économiques et climatiques. Certains de ceux-ci (budgétaire, monétaire, contrôle des prix, infrastructure) devraient être résolus avant que les projets de développement rural puissent avoir des effets positifs à long terme.



Guiné-Bissau

Introduction

The information for this article was collected in June 1984 during a mission in Guiné-Bissau for a Belgian non-governmental organization. The purpose was to see whether it was possible to start a project for integrated rural development on the Bijagos Archipelago. In this respect it was necessary to get an idea about the general political and socio-economic situation of the country. Data on these matters are presented here.

General ideas about Guiné-Bissau

Guiné-Bissau is a small country in West Africa, surrounded by Senegal (in the north) and Guinée Conakry (in the east and south). Most of its territory lies on the continent. The Bijagos Archipelago lies off the coast, and consists of 50 islands of which 19 are inhabited. The country has a tropical climate with a dry season from November till April. During the rainy season rain heights of 2,500 mm are no exception in the southern Catio area; the northern part of the country has less rain, though, and this climatic condition, together with the higher population density, explains the degradation of the vegetation through uncared agricultural methods. This degradation is visible from the air when overflying the country from north to south.

Of late, Guiné-Bissau has had a few years with less rain. This has created some problems with food production (low yields in 1977 and 1979). This explains the country's eagerness to become a member of the C.I.L.S.S. (Comité permanent Inter-états de Lutte contre la Sècheresse dans le Sahel). Political motivations have made that till this date the country is still no member. Membership would give access to funds for projects and international programs about drought and drought prevention.

Guiné-Bissau is cut through by a lot of rivers. This fact combined with the low elevation of most of the territory gives the coast a swampy character. Most of the coastal areas and the riverbanks are covered by a mangrove vegetation (consisting of *Avicennia marina* and *Rhizophora racemosa*).

The country has a few natural industrial resources. The mining of bauxite (the Boé region) has started. Rock phosphate is not exploited yet. There seem to be reserves of diamond, gold and molybdene. In the north of the country Elf Aquitaine is looking for petroleum.

The country is not too densely populated. The total population number is estimated at 700,000-900,000 (no exact data available). For a total surface of 36,125 km² (— 3,111 km² that are flooded twice a day) this gives an estimated density of 21 to 27 inh./km². The minimum being 12 inh./km² in Gabu and the maximum 73 inh./km² in the capital's region Bissau.

Bissau has some 120,000 inhabitants. This number increases by 5 % each year. Lack of industries make it a poor attraction pole.

On the country side people live grouped in small villages (*tabancas*) of 150-250 inhabitants. Balantas and Fulani make up 50% of the total population. Most of the people are animists. Some are christians, a larger number are muslims but both faiths "have a strong animistic flavour" to them.

According to international standards Guiné-Bissau is amongst the poorest nations in the world: GNP/capita = 250 US\$, 85 % illiteracy, lack of medical facilities, high infant mortality, high natality, poor infrastructure.

In what follows some of the major problems of Guiné-Bissau will be discussed in so far that they influence the country's possibilities for development.

Infrastructure

The country's geography creates a lot of transport and communication problems within the country. The large number of rivers makes travelling from the south (rice producing area) to the centre (Bissau) and the north of the country rather difficult. The roads are dusty in the dry season and become mud tracks in the rainy season (Buda and Tombali region). Recently tar roads have been made in the northern part of the country linking Bissau to the cotton and groundnut producing areas of the country (Bafata and Gabu regions).

There are hardly any bridges left over from colonial times (especially not in the south) and so rivers have to be crossed by boats or ferry-boats. This last category can take freight but also needs gas to run on. Small quantities of consumer goods and food travel along and across the rivers in the local canoes.

The national airway company has a few flights sporadically linking Bissau with Catio (Cufar), Gabu, Bafata, Farim and Bubaque.

The lack of good and reliable transport facilities is a major obstacle for the economic development of some regions. Any increase in rice output in the south can not (or hardly) be marketed in Bissau or elsewhere. Likewise, it is very difficult to get inputs to Buba and Tombali: machinery and equipment, fertilizers, pesticides and seeds can not be transported in large enough quantities to the farmers who need them.

The Bijagos are physically cut off from direct links with other regions. The lack of boats isolates them even more and prevents local products (fruits: *Mangifera indica* (mango), *Anacardium occidentale* (cashew), and fish) from being shipped and sold on

the national and international market. The tourist industry that was once started up on Bubaque suffers from a lack of tourists.

As a conclusion one can say that a bad infrastructure creates a lot of problems both for transport and for the economy of the country, through the demotivation of the people that can not buy inputs and consumer goods and can not sell their production.

Political situation

After having been a colony of Portugal, Guiné-Bissau has been an independent country for 10 years now since 1974. It is a people's republic with one party, the P.A.I.G.C. (Partido Africano da Independência da Guiné e Cabo Verde). This party is the "sole expression of the people's will power". There is a tendency towards decentralization, but this is a process that has difficulties developing because the country lacks people who are able to organize and take political responsibility.

The country accepts the P.A.I.G.C. leadership which does not mean that the party has a 100% membership amongst the citizens. During the 1976 elections one third of the elected members of the people's assembly were independent candidates.

The country is lead by a president (Joao Bernardo 'Nino' Vieira) and a government. There are frequently changes amongst the ministers making up the cabinet. This can be explained by the lack of experience of a number of them, and the tendencies towards corruption of others.

This lack of political stability gives problems with the continuity of decision taking and development policy making.

The lack of skilled trained people with experience explains the mistakes that have been committed. Some of the top functions are still held by people having a good curriculum as guerilla fighter but little or no experience as politician.

In those cases where a policy is defined the country lacks technicians who can bring the propositions into effect.

It goes without saying that corruption provides a good means of enriching oneself in a country where the wages are low and consumer goods scarce.

Economic situation

The economic situation is not too good. The balance of payment of 1981 was as follows (in 1,000 pesos; officially 1,000 pesos = 600 Belgian Francs or 10 US\$):

import C.I.F. (corrected)	2,405,000
export F.O.B. (corrected)	<u>745,000</u>
saldo	— 1,660,000
services	<u>— 790,000</u>
saldo	— 2,450,000

others:	
licences (fisheries)	35,000
transfers of non residents	230,000
transfers to foreign countries,	— 65,000
others,	— 70,000
	<u>— 2,320,000</u>
Saldo	— 2,320,000
This deficit was counterbalanced by	
food help	700,000
I.M.F. operations, short term loans,	
reserves	520,000
project gifts	1,500,000

As can be seen Guiné-Bissau very much depends upon external aid. Without project funding and food help a lot of the basic needs could not be met.

The global tendencies are that volume and value of imports are rising, the value of exports is going down and that as a result the deficit grows.

The industry has only a very small part in the exported value (1%); the biggest part comes from agriculture and fishery.

Rice and maize (food), consumer goods and equipment are the most imported goods. Rice is, according to some sources, produced in sufficient quantities to make the country self sufficient. Lack of economic incentives (good prices; sufficient supply of consumer goods) and infrastructure results in large amounts being smuggled out of the country.

The bad economic situation can be explained by (1) the economic model, (2) the monetary policy, (3) the choice of priorities and (4) the level of training.

Guiné-Bissau offers a very good example of a centralized economy. Everything is organized from above in an effort not to suffer any "neo-colonialist forms of exploitation" by foreign nations. The state buys local agricultural produce at fixed prices and sells them through its own network of people's stores (*Armazens do Povo*). Goods that have to be exported are also bought by the state, stored and sold. The *Armazens* must also sell consumer goods (shoes, clothing, luxuries). As most of these have to be imported the supply of these goods is often rather poor. It is the state that has to buy them, but the state very often has no money for this type of expenditures.

In the parallel circuit the black market offers what the state can not: equipment and consumer goods, but also food. The capital, Bissau, has a chronic shortage of basic food because imported food (help) is quickly distributed amongst party members and army people and because the local production does not get there at all. Some of the locally produced food products are bought at official prices in the country by black marketeers and sold on the black market.

The monetary policy (or the lack of such a policy) has given an artificial high exchange rate. In Bissau one gets 2,500 pesos for 10,000 F.C.F.A.; on the black market one gets 16 times as much: 40,000 pesos for 10,000 F.C.F.A. (June 1984).

In 1983 the peso was devaluated by 100% and since then the value dropped by another 40%, but financial experts think that the peso's value should drop even more. The devaluation was I.M.F. inspired (and came together with a plea for free price fixing mechanisms).

It is impossible to exchange pesos against any foreign currency which acts against the interests of the producers or would-be importers/exporters.

There are plans to couple the Guiné peso with the Portuguese escudo (cf. the "zone franc" between France and some of its former colonies in West Africa). This may sound better than it is because the Portuguese escudo is not a very sure value either, but the system would have some advantages.

As in many developing countries prices of most foods are fixed. Food prices are kept low to enable the urban "proles" to buy at cheap prices. This, however, demotivates the producers. The price policy is therefore one more reason why the economic situation is not too good. Along with this there is also the problem of setting priorities. What are the crops whose production is to be stimulated? Should it be foodcrops? This would give independency from foreign suppliers, but on the other hand food help is now readily available. And what should be done about cash crops? Groundnut is a "traditional" cash crop, making up 1/3 of total export earnings. Coconuts and fishery products are also very important. Cotton comes in fourth position. Cash crops generate money, but create greater dependency from foreign countries' food supply, especially when cash crops are grown on soils previously covered with food crops. Farmers then depend on local prices (and world prices) for their cash crops to be able to buy the food they grew before. What is true for the farmers is the more true for the country as a whole. The money earned must thus be spent to buy food or consumer goods or invested (in industries, informal sector). Any investment in the production of certain products in Guiné-Bissau is almost bound to be small scaled, the internal market poten-

tials being small (few consumers and low solvability) and the international market being almost closed by the lack of competitiveness of the products presented. The car producing unit (annual production: 400 cars) near Bissau is a good example of this type of small scale investment.

Throughout the different levels of policy making and practice the poor training and lack of experience of the persons involved is a factor seriously hampering a correct economic development. This is partly explained by the recently acquired independency which left this new land with almost nobody who had had a university training and partly by the separation between Cabo Verde and Guiné-Bissau which drained off skilled people from the administration. In this respect much attention will have to go to training and education that is adapted to the local circumstances. The question arises for instance, whether the agronomists that have been trained in Russia, Czechoslovakia or the G.D.R. and who have no field experience at all can be put in charge of the Ministry of Agriculture without further coaching, as is the case now.

Conclusion

Guiné-Bissau presents some typical features of a newly independent state.

The economic situation is not too brilliant. Foreign indebtment is increasing year after year. There is little or no foreign interest to invest in industrial or agricultural production. The monetary policy is no stimulus to enhance local productivity. The country clearly needs a well defined economic policy, with more emphasis on free enterprise and free flow of goods and money.

The economic development of the country will also be preconditioned by the development and maintenance of a good infrastructure, the elaboration of a good educational system and the setting up of a reliable administration.

All these measures clearly depend on political decisions which will have structural implications. The activities of non-governmental organizations through small scale projects will have little or no long term effects if these structural changes are not introduced.