

BANK GROUP ACTIVITY

New concepts of development in Africa

Some 2,000 years ago, Pliny the Elder observed that *Ex Africa semper aliquid novi* (there is always something new coming out of Africa).

And from Africa, described by Bank Group President Robert S. McNamara as the "continent of the future" have come new concepts in development in recent months. It is somehow fitting that two of the more imaginative projects approved by the Bank this year are in Africa. Indeed, neither is far distant from Nairobi, the site of this year's Annual Meeting.

The Bank's pledge made in 1968 by Mr. McNamara—that Bank Group lending to Africa would triple in the five-year period 1969-1973 over the previous five-year period—has been met. Slightly more than \$200 million in credits and loans have been committed to African nations in the past five years.

It may also be noted that in the fiscal year 1973, Bank and International Development Association (IDA) lending to African nations totaled slightly more than \$900 million. Last year that total—then, too, a record—stood at \$436.6 million.

Numbers are tricky things. They tell of totals, but little else. A massive credit for the purchase of industrial imports can, for instance, fill out quite nicely the column reserved for aggregate lending. That column cannot tell, however, how the lives of people, poor people, might be affected.

To reveal how people may be affected, it can be instructive to tell the story of two credits, worth \$25 million: one, for \$4 million to Mauritius (in the appraisal, starkly called a "rural development project"), and one for \$21 million to Ethiopia (more tantalizingly called an "agricultural minimum package project").

WORLD BANK LOANS APPROVED DURING FOURTH QUARTER OF FISCAL 1973

Country	Purpose	Amount (\$ millions)
Algeria (2 loans)	Highways, education	24.5
Brazil	Power	20.0
Colombia	Industrial development	60.0
Costa Rica	Education	6.2
Cyprus	Highways	5.4
East Africa	Telecommunications	32.5
Ecuador	Industrial development	20.0
El Salvador	Power	27.3
Gabon	Water supply	9.5
Honduras	Highways	18.8
India	Industry	70.0
Iran	Population	16.5
Jamaica	Road maintenance	9.3
Korea (3 loans)	Industrial development, education, ports	143.0
Lebanon	Highways	33.0
Liberia	Highways	3.0
Malaysia	Water supply	13.5
Mexico (2 loans)	Livestock and agriculture, water supply	200.0
Morocco	Industrial development	24.0
Nigeria	Education	54.0
Panama	Livestock	4.7
Philippines	Fisheries	11.6
Thailand	Railways	15.0
Trinidad and Tobago	Sugar rehabilitation	12.0
Turkey (2 loans)	Railways, power	61.0
Yugoslavia (2 loans)	Agro-industries, gas transmission line	90.4
Zambia (2 loans)	Education, program loan	63.0
Total loans during the fourth quarter of fiscal 1973		1,048.2
Total loans during fiscal 1973		2,051.0

Mauritius

Mauritius is a small island in the Indian Ocean, less than 2,000 square kilometers in area. To its west lies the Malagasy Republic; further west, some 1,500 miles away, is the southern African coast. Indians, Africans, Europeans, Creoles, and Chinese all have significant representation in the population. With its al-

most unbroken coastline of unspoiled beaches bordering on crystalline waters, one might assume Mauritius to be the paradigm of tropical paradises. It might be but for one thing: with the population density of over 1,000 persons a square mile and ever growing, Mauritius finds itself faced with not only the problems of overpopulation, but also, with its ubiquitous follower—unemployment.





Linda M. Reynolds

be used in carrying out the works required. It is believed that the village amenities program will create 2,500 temporary jobs during the next two years.

- expand the land available for agricultural development by 1,000 acres through terracing slopes as steep as 50 degrees. Half of the land involved belongs to marginal subsistence small holders; the other half, which will be leased in two and four-acre plots to householders in the 68 villages, is unoccupied Government Crownlands. The 1,000 acres will be suitable for growing cash crops, and may yield farmers an annual net cash income of almost \$400. The work of terracing will provide 1,850 jobs over the next two years.
- clear and plant pine and eucalyptus trees on some 4,000 acres of scrub land. This afforestation program will provide 2,500 jobs during the next two years; forest maintenance will require 300 jobs yearly; forest harvesting will fill 600 jobs.
- clear 1,000 acres adjacent to the 68 villages for fodder planting. (Lack of fodder is one of the principal factors limiting increased milk production on the island.) Clearing and planting will provide 550 jobs during the next two years.

By 1972, 41,000 people—16 per cent of its labor force—were out of work. Its sugar plantations, which provide almost 90 per cent of the country's exports, are a labor-intensive agrobusiness, but they cannot provide enough employment. Government measures to deal with the unemployment problem are 10 years old, and its *Travail pour Tous* program, organized in 1970, has found jobs for 6,500 workers. Still the problems persist.

It is difficult for Mauritius to find suitable employment in agriculture for her unemployed. Almost one third of the land in the country is unsuited either for agriculture or urban development. Almost half of the cultivated land is planted in sugarcane, but more than half of the land in sugar is held in 21 large estates. Forty per cent of rural householders are landless; the rest own or rent less than four acres.

The IDA project, approved by the Bank's Board of Directors in early July, will not solve the problems of rural poverty and unemployment in Mauritius. It will help. And it is the first Bank Group project for a rural public works program with the creation of productive employment as its major objective.

The project is designed to:

- improve living conditions in the island nation's 68 poorest villages by providing public water taps, health centers, internal roads, and markets. Labor-intensive techniques will

◀ Ploughing (opposite page) and threshing (right) methods have changed little over the centuries in Ethiopia: "It is, as it was 2,000 years ago, primarily an agricultural society."



Kay Mulgoon for F&D

**IDA CREDITS DURING
THE FOURTH QUARTER OF FISCAL 1973**

Country	Purpose	Amount (\$ millions)
Afghanistan (2 credits)	Industrial financing, aviation communication	4.5
Bangladesh (2 credits)	Foodgrain storage, education	40.7
Burma (2 credits)	Railways, inland water transport	33.0
Dahomey	Highways	11.8
Egypt (2 credits)	Drainage, industrial financing	51.0
Ethiopia (3 credits)	Irrigation, agriculture, education	48.0
India (4 credits)	Water supply & sewerage, agriculture, industrial imports, telecommunications	306.0
Indonesia (6 credits)	Fertilizer, education, highways, power, tea, sugar	136.3
Ivory Coast	Highways	7.5
Jordan (2 credits)	Water supply & sewerage, electric power	18.9
Korea	Education	20.0*
Liberia	Highways	2.6**
Mali (3 credits)	Railways, highways, education	21.2
Nepal	Telecommunications	5.5
Nicaragua	Reconstruction	20.0
Pakistan	Industry	45.0
Senegal	Agriculture	8.2
Sri Lanka	Electric power	6.0
Syria	Water supply	15.0
Tanzania	Livestock	18.5
Thailand	Irrigation	5.0
Upper Volta (2 credits)	Telecommunications, education	7.35
Yemen Arab Republic	Agriculture	10.9
Yemen, People's Democratic Republic	Fisheries	3.5
Zaire	Livestock	8.5
Total credits during the fourth quarter of fiscal 1973		833.77
Total credits during fiscal 1973		1,356.7
*Together with a \$23 million Bank loan		
**Together with a \$3 million Bank loan		

The project will give temporary employment to about 7,400 unemployed workers (more than one sixth of the unemployed labor force) and, when completed, will provide jobs for about 1,000 persons. Unemployment will not be ended but it will be alleviated. The project will not eliminate the income gap between the poorest and the richest, but it will help.

Ethiopia

Ethiopia is not a small (1,200,000 square kilometers) and it is not overpopulated (21 persons per square kilometer). It is poor, however, and it is, as it was 2,000 years ago, primarily an agricultural society. Almost 90 per cent of the country's population lives in rural areas, and the race between agricultural productivity and population growth is a close one.

Prosaically put, the IDA credit of late May 1973 to Ethiopia (the "Agricultural Minimum Package Project"), is an effort to provide Ethiopian farmers extension services which are tied to modern labor-intensive inputs such as fertilizer and seeds. Behind the stilted prose of the economist, however, is an interesting story.

Most of the minimum package areas lie in Ethiopia's potentially productive highlands. Typically, each area includes about 75,000 hectares of land which borders a 75 kilometer stretch of all-weather road and which extends 5 kilometers on each side of the road. On the average, each area is inhabited by about 10,000 farm families.

To live and work in these areas will come agriculturalists from a division of the country's agricultural ministry. Each area, in effect, will

be a project, duplicated three dozen times over throughout the country. The work in each minimum package area will fall into three phases:

- Phase one (observation) lasts two years. During this time, field tests of fertilizer and seed effectiveness are made, the characteristics of the farm families in the area are surveyed, and—importantly—potential model farmers are identified. More about them later.

- In the second phase (demonstration), which lasts a year, the right fertilizers and seeds are distributed to the model farmers. The modelness or its lack by the model farmers will, to a large extent, determine the effectiveness of the project. The model farmers are the innovators, those who are thought to be highly motivated and receptive to new ideas, those who, in McClelland's term, are infected with *n Ach*. It is they who must spread the benevolent virus of agricultural development to others. And if, after the one-year demonstration period, enthusiasm for development is engendered, the area will become a

- Minimum Package Area, staffed with a supervisor, five extension agents, and five marketing agents. At first, only fertilizer and seeds and marketing assistance will be provided, but as extension services and the model farmer chain becomes established, assistance and advice on crop storage, erosion control, livestock development, and home economics will be given.

- The concept of the Minimum Package Area is not new with the IDA credit, for it was begun by the Ethiopian Government, with Sweden's help, in 1971. With the IDA credit, however (Sweden, through Swedish International Development Authority, is contributing \$2.17 million to the project), the program can be expanded.

There are already 28 Minimum Package Areas, 12 demonstration areas, and 42 observation areas in existence. During the project period (through mid-1976), 30 new Minimum Package Areas will be opened, and the foundations laid for another 30 to be opened between 1977 and 1979. By 1980, as many as 400,000 farm families are expected to take part in the program.

The project is particularly designed to affect a large number of small farmers. And it is a large one, as it must be if large numbers of farmers are to be reached.

Last April, Mr. McNamara observed that "economic growth in a poor country, in its early stages, is likely to penalize the poorest segment of the society relative to the more affluent sectors unless specific action is taken to prevent such an effect."

In Mauritius and Ethiopia—they are not the only cases that one might cite—specific action has been taken.

Pliny the Elder was right; something new *is* always coming out of Africa.

Peter C. Muncie