

THE PAIGC AND THE ECONOMIC DEVELOPMENT OF GUINEA-BISSAU: IDEOLOGY AND REALITY

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GUINEA-Bissau was the first of Portugal's African possessions to gain independence after the April 1974 coup. Even prior to the downfall of the Caetano regime, large areas of the country had been liberated by PAIGC¹-led guerilla forces and a National Popular Assembly elected to govern the liberated zones. On September 24, 1973 the National Popular Assembly declared an independent republic, which was to be recognized by eighty states prior to Portugal's recognition on September 10, 1974.

As this would suggest, the liberation struggle in Guinea-Bissau was a particularly intense one. This small territory which accounted for less than 2 per cent of the total area of Portugal's African colonies and only 4.5 per cent of their population, absorbed 20–25 per cent of the Portuguese military forces devoted to fighting the liberation movements. Despite this immense concentration of forces, from the mid-fifties onwards Portugal's writ rarely ran outside of the coastal zone and urban centers.

One of the unique achievements of the PAIGC was its ability to organize the economic life of the liberated zones prior to independence. The flow of rice—the staple food crop—to the Portuguese-controlled urban areas was interrupted, and surplus rice exported across the border to Senegal in exchange for other essential products required by the peasantry in the PAIGC zones. The consequence was growing dependence of the urban and coastal zones upon imported rice and the increasing autonomy of the liberated zones from the colonial economy, which had always been a preeminently trading economy. The instrument forged by the PAIGC to carry out this reorientation of economic ties was the *Armazéns do Povo* (People's Stores) which served them in good stand in the post-independence period, and has led to their ability to record their greatest economic achievements in the field of internal trade.

Part of the reason for the PAIGC's success was the failure of the Portuguese to seriously transform the economic or social structures of Guinea-Bissau in the long years of their occupation. Originally falling to Portugal during the "scramble" as a result of their possession of coastal settlements dating back to the period of the slave trade, Guinea-Bissau was always seen by Portugal as little more than

¹ The PAIGC (Partido Africano da Independência da Guiné e Cabo Verde) was the movement of national liberation that wrested independence by military means from Portugal in Cape Verde and Guinea-Bissau. This party is in power in both countries, with President Aristides Pereira of Cape Verde as its Secretary-General. The Guinean coup of 1980 has not affected this political arrangement. Major Vieira succeeded Luís Cabral as Deputy Secretary-General.

a useful site for exchange of a classically colonial type. The only contribution of the Portuguese to the development of local production was to stimulate peanut growing (often through the use of coercive methods) in order to procure an internationally marketable agricultural commodity. Control of the peanut trade and other agricultural exports, and the exchange of manufactured goods produced in the metropolis, fell to two of the largest Portuguese monopoly groups, the *Companhia União Fabril* (CUF) and the *Banco Nacional Ultramarino*. The development of infrastructure—the extension of the port of Bissau, road building, and the development of river traffic—was kept to the bare minimum necessary to ensure the functioning of the trading economy (and, later, to facilitate counter-insurgency operations). At the time of independence, for example, there were less than 350 kilometers of tarred roads in the entire country. Moreover, the protracted war did much to undo even the little that the Portuguese had accomplished: for example, when the PAIGC moved into the coast in 1974 they found the crucial river channels largely filled in with silt due to the protracted ban on river traffic imposed by the Portuguese.

A combination of structural underdevelopment, the ravages of the protracted liberation struggle, the turmoil associated with the transfer of power, and adverse natural developments (in particular the serious drought which hit the 1977 harvest, stifling the first signs of recovery) created a severe and protracted economic crisis which has dogged the PAIGC's efforts to stimulate economic development. A few figures present the situation quite graphically. At the end of the war, there were 150,000 refugees—some 20 per cent of the total population—living outside the country. The two main crops—rice and peanuts—saw the following output evolution.

	(1,000 tons)	
	Rice	Peanut (Shelled)
1953	100	64
1972	29	28
1975	67	37
1976	80	45
1977	30	27

Source: [9].

As a result the balance of payments has been in a disastrous position, with a sharp fall in earnings from traditional export crops and a heavy burden imposed by the need to import foodstuff. As a result, export earnings were only covering a fraction of import cost—8 per cent in 1974, 35 per cent in 1977—with almost the totality of export earnings taken up by the cost of food imports. Only extensive overseas aid prevented real disaster and made any sort of development programme possible.

Nevertheless, as the figures for 1976 and 1977 indicate, the PAIGC had made some real progress in stabilizing the economic situation and would have moved towards at least a manageable situation, had it not been for the severe 1977

drought. Contemporary reports suggested that the year 1980 should have seen a good harvest and, hopefully, the beginning of a return to normality. But hopes were dashed.

Despite this desparate situation, the PAIGC, with substantial international aid, has not confined itself to simple emergency stop-gap measures, but has attempted to undertake a coherent programme of developmental measures. It would not be fair to judge the viability of these measures on the basis of the exceptional and emergency conditions which have thus far prevailed, but sufficient can be deduced to indicate the probable way in which the Guinea-Bissau state will respond to its problems in the immediate future and to indicate some of the consequences of this course.

I propose to discuss the PAIGC's development strategy under three main headings: its developmental ideology and ideal orientation; the real structures that it has to operate within; and the reality of its developmental measures thus far.

I. THE PAIGC'S DEVELOPMENTAL IDEOLOGY

One particular asset which the PAIGC started with is a far more coherent and elaborate programme for development of its economy and social structure than most African liberation movements, including its counterparts in the other former Portuguese territories. This is undoubtedly due to the particular influence of its founder Amílcar Gabral who, as a practising agronomist in his homeland (responsible for the first colonial agricultural census undertaken in the early 1950s), combined a detailed knowledge of the country with an awareness of the theoretical problems of a development strategy. The experience of the PAIGC in organizing the economy of the liberated zones served to deepen and clarify this basic foundation.

The clearest statement of the PAIGC's approach is to be found in the *Report of the Supreme Council of the Struggle to the Third Congress of PAIGC* [13]. The congress was held in Bissau in November 1977. Almost half of this crucial text is taken up with a discussion of "economic and social development."

This stresses the importance of overcoming the legacy of colonialism in order to develop the economy and provide the essential underpinning of a genuine national independence. But it stresses that this development must be one whose benefits do not accrue to a small, self-enriching minority but benefit the majority of the population: "If progress is made only for the benefit of a few, then the modernisation of the country can occur, there can be economic growth, but there is no development" [13, p. 19].

The starting point for achieving these goals is agriculture, the sector in which the vast majority of the economically active population is employed. Industrial development must be geared to the aim of stimulating agricultural productivity. The task of industry is seen as providing both those consumer goods which the rural producer wants, in order to encourage him or her to produce more and enter the commercial economy, and at the same time to provide the appropriate technological inputs which will make possible the raising of the productivity of agricultural labor. The latter will also permit the differentiation of the rural

economy, with the development and strengthening of handicraft industries which will raise national productivity, extend the domestic market, and diversify exportable products.

If an adequate infrastructure can be built up—by way of effective transport and distributive networks—stable economic conditions created to encourage confidence among rural producers and production channelled into those areas which are commercially viable, and in particular those which can ease the balance of payments problem by earning foreign exchange, then a “virtuous circle” can be set in motion which should make possible “planning and harmonious development of the economy” [13, p. 21]. The health and growth of the rural economy will provide both a market and a source of investment funds and foreign exchange for industrial development; acute regional or urban-rural imbalances can be equitably distributed. To ensure this the state is seen as playing a central role in the development of the growth points: industry funded out of rural producers’ surpluses; export-oriented sectors dominated by more large-scale production, like fishing and livestock raising; and exploitation of the country’s mineral wealth.

On paper this is certainly a very impressive and coherent view of things. In order to evaluate its viability it will be useful to look more closely at each of the main economic sectors.

II. THE REALITY: STRUCTURE OF THE ECONOMY

A. *Agriculture*

The PAIGC is undoubtedly correct in its identification of the centrality of the agricultural sector. The phrase “agriculture is the priority” is repeated with ritual-like frequency, but if that gave it real force then the monotony would be a very small price to pay.

Ironically, the weakness of Portugal’s colonial project has certain positive consequences for the situation of Guinea-Bissau’s agricultural production. The organization of agricultural production has remained in the hands of traditional producers, who have not been massively shifted away from the production of essential foodstuffs to cash monoculture, and have retained technologically appropriate and ecologically well-adapted systems of cultivation, in particular a highly efficient system of wet-rice cultivation in the coastal and river estuary regions which comprise the most important fertile regions of the country. This is largely the conclusion of a detailed investigation of Guinea-Bissau’s rice growing by West African Rice Development Association. They note that: “There exists a combination of factors favorable to a rapid increase of rice production in Guinea-Bissau. Traditional rice cultivation in this country has attained a very high technical level. . . . In this field (cultivation techniques) traditional rice growing has attained a very high technical level in Guinea-Bissau, well worked-out, which has no equal in West Africa” [20, pp. 8 and 13].

The association’s mission recommended a relatively modest development programme: the selection and dissemination of certain high-yield rice varieties, the

encouragement of the use of animal traction for plowing, and the teaching of certain technical skills and modifications which would improve cultivation techniques. None of these would require any major investment of funds or involve the upheaval of established agricultural systems, but their benefits would be sufficient, in the views of the mission, to make possible the goal of self-sufficiency in rice, and even the generation of an exportable surplus.

All of this would be possible without any major curtailment of agricultural export production. For the division between rice and cash crop growing in Guinea-Bissau is largely an ecological one, with the drier and less fertile northeast being the main center for peanut cultivation, along with other cereals such as dry rice, sorghum, and millet.

Here, however, there is a possible complication. For the ecological divide is also an ethnic and cultural one. The wet-rice cultivators come mainly from the "animist" groups, like the Balante and Mandjak, while peanut growing is concentrated among the Islamized and more differentiated groups, like the Fula and Mandingo. According to one study published in 1971, the distribution is as follows.

	(%)		
	Balante/Mandjack	Fula/Mandingo	Other
Area cultivated	40	48	12
Rice production	73	14	13
Peanut production	27	66	7

Source: [16, p. 28-39].

The problem here is that the Islamized groups were the most distant from the PAIGC during the liberation struggles, their hierarchy often collaborating with the Portuguese, and to some extent this alienation has persisted after liberation. Given their crucial role with regard to export agriculture (they are also important with regard to livestock herding, another important agricultural field), this could become a serious political problem.²

Nevertheless, on the "priority" ground of agriculture the objective situation facing the PAIGC would appear to be a relatively promising one from the standpoint of their programmatic options. The question of the actual implementation of this programme I shall return to later on.

B. *Industry*

The starting point of industrial development in Guinea-Bissau is a very bleak one. According to the 1977 *Anuario Estatístico* [10] there were 1,084 industrial establishments in the country employing a total of 24,359 workers. Of these, however, 815 firms were in the tertiary sector (commerce and services) and these employed 20,859 workers (15,051 of these, however, were civil servants). This

² See [4] for a discussion of the relations between the PAIGC and the various ethnic groups of Guinea-Bissau.

left only 269 firms and 3,500 workers in manufacturing, mining, fishing, and agriculture, and these heavily concentrated in Bissau. Only 37 per cent of *firms* are in the capital, but this is because of the proliferation of tiny family operations in provincial centers; 66 per cent of the *work force* in primary and secondary industry is in Bissau. (For mining and manufacturing the figure is 80 per cent of the work force.)

The state of industrial and economic development can really be summed up in a single figure: 60 per cent of the salaried work force is employed in the government bureaucracy.

The only areas developed by the Portuguese were a number of agricultural processing operations, mostly small scale (for example, peanut-shelling mills). The one notorious exception was a modern beer and soft-drink bottling plant in Bissau set up to service the counter-insurgency troops. It is fairly obvious that agricultural processing remains the only significant potential growth area, and since this will affect the major export products it is a sensible place to concentrate industrial development. There should, however, be some scope for the development both of import-substitution industries and for export-oriented industries in new areas. (One example is the opening of a factory making parquet tiles for export from locally grown timber.)

C. *Natural Resources*

The two most important natural resource-based industries are mining (potentially) and fishing. Guinea-Bissau has generally been thought to be lacking in the sort of mineral wealth that made Angola such an attractive possession. But post-independence surveys (initially carried out by the Soviet Union) indicated that bauxite deposits in the northeast are considerably larger than previously thought and might be economically viable. The problem is their remoteness, which will both add to the cost of production and make the initial investment in infrastructure required to develop the deposits that much greater. For these reasons the PAIGC has been very cautious about rushing into any project, although it later announced that it was seriously considering doing so with assistance (and, presumably, participation) from the EEC.

Similarly, fishing is potentially an important national asset. The coastal fishing grounds are very rich. But Guinea-Bissau totally lacks anything resembling a modern fishing fleet, and even local offshore fishing is relatively underdeveloped. For that reason the government has been forced to accept joint participation with foreign interests; one joint firm has been set up with each of the Soviet Union, Algeria, and the EEC. These deals have involved varying terms, including payment for fish exported from Guinea-Bissau waters, landing of a portion of the total catch, and foreign assistance in the establishment of onshore facilities like cold-storage and processing. However, the Soviet arrangement would appear to be a rather disadvantageous one, and the Algerian project has not really got off the ground. Greatest enthusiasm seems to be shown for the most recent project with the EEC, which allows the PAIGC to fulfill one of its original goals of introducing fish into the local diet in order to improve its protein content by agreeing to land whatever proportion of the catch local facilities can handle.

D. *Transport*

We have already referred to the problems with the transport network, which would appear to be one of the greatest problems facing the country. Moreover, there is an acute shortage of motor vehicles (probably a more important limiting factor than the state of the road network) and some difficulty in servicing them. Initial attempts to get servicing depots set up in the country seem to have been successful, although Citroën insisted on establishing an automobile assembly plant instead, the economic benefits of which seem rather dubious. Equally, there is a shortage of river vessels for what is potentially a major part of the national network.

As with industrial development, a crucial barrier is the weakness of the country's foreign exchange position which makes the importation of expensive machinery and equipment in quantity very difficult. This is a question we shall be returning to.

E. *Internal Trade*

This is without doubt the major area of achievement of the PAIGC. The role of the Armazéns do Povo has been extended after liberation, aided by the nationalization of the Companhia União Fabril (CUF) and Banco Nacional Ultramarino in Portugal, which made it easy for the government to take over their assets in Guinea-Bissau. As they had occupied a virtual stranglehold over internal trade in the colonial period, this, coupled with the machinery the Armazéns do Povo had built up in the liberated zones, gave the state firm control over both internal and external trade. Figures from the 1977 *Anuario Estatístico* [10] shows that the Armazéns do Povo accounted for 16 per cent of all imports in 1977, government departments 34 per cent, state and mixed firms 24 per cent, and private importers only 17 per cent.

The Armazéns do Povo possess a near monopoly in the trade in "essential commodities": they purchase rice and other foodstuffs from the producers and distribute them along with imported necessities through a network of 29 stores in Bissau, 125 in the interior, and a further 86 smaller outlets. They have their own warehousing and transport facilities [18]. According to the 1977 *Anuario Estatístico*, the Armazéns do Povo; the other main state trading concern, SOCOMIN; and other state commercial operations accounted for 62 per cent of reported sales. However, this was based on returns from only 70 per cent of traders, and doubtless misses the activities of petty traders. Nevertheless, it indicates a dominant state presence in commerce. The regional breakdown is also interesting: 85 per cent of private trade was based in Bissau, compared with only 60 per cent of state trade; private trade accounted for 46 per cent of the total in Bissau, compared with 19 per cent in the provinces.

This control of trade not only allows the state to forestall speculation and exploitation of the economic problems of the country by private traders, but allows them to use pricing policy as a developmental tool. Thus, shortly after independence the price paid to rice producers was doubled to stimulate output and encourage a positive attitude towards development projects.

However, such policies cannot but be *redistributive*, with a consequent negative effect upon the real incomes of the urban population who have to bear the brunt of the price increases (albeit somewhat cushioned by the *Armazéns do Povo's* strict limit on their commercial markup). Thus in the four years from early 1974 to the beginning of 1978, prices rose by some 65 per cent [3]. Nevertheless, it is probable that in the absence of state control urban consumers would have been faced with equal if not greater price rises, the proceeds going to private traders rather than to the state and direct producers.

In fact it is likely that there are relatively developed commercial networks in the interior of Guinea-Bissau, with an entire section of the Islamized population—the *Dyulas*—forming a group of itinerant petty traders, based upon a specific sexual division of labor in which agricultural production is an almost exclusively female preserve. The PAIGC seems to be hostile towards this current, seeking to shift them away from trading to settled agriculture. It is not clear whether this hostility is based upon an ideological objection to private merchants or upon the political estrangement between this section of the population and the PAIGC. In any event, it seems to be of doubtful validity in a context where development of the rural commercial circuits is seen as central to the development strategy.

III. THE REALITY: IMPLEMENTATION OF THE STRATEGY

It is difficult to make a fair assessment of the PAIGC's actual performance, because it is hard to disentangle genuine failures or departures from the ideologically articulated strategy from temporary setbacks or secondary adjustments imposed by the difficult situation the regime faces. In a number of areas, however, there do seem to be developments which pose serious questions about the PAIGC's ability to follow the course it has charted for itself.

The first of these lies with the constant affirmation of the prioritization of agriculture. This lies so much at the heart of the PAIGC strategy, and its public acknowledgement is of such deep ideological significance, that performance in this field is something of a touchstone.

The first difficulty is that the PAIGC does not seem to have really elaborated its developmental strategy for the agricultural sector. Most authors who are familiar with the country and the PAIGC's views affirm the long-term commitment of the PAIGC to the development of communal production relations and agricultural cooperatives, albeit in a gradualist and non-coercive manner.³ The report of the third congress included the rather vague commitment (with little emphasis or elaboration): "gradually to introduce systems of production Co-operatives, of autonomous units and of state production units" [13, p. 156]. A group of Portuguese sympathizers of the PAIGC who visited the country in 1976 quotes a government official as saying, "We cannot run the risk of an adventure which would cause this plan to fail. . . . We must study the specific characteristics, region by region, and even the ethnic characteristics of the people" [7, pp. 75–76]. In general, cooperative experiments seem to have been undertaken as part of a

³ See, for example, [7] [17] [1].

general approach of setting up experimental agricultural operations which are to serve as focal points for modernization: combining high productivity forms of production, popularization of modern techniques among local producers, and the provision of technical services. Cooperatives, often set up by demobilized troops from the liberation army, thus exist alongside experimental state farms (employing wage labor and administered by the state). While these projects have doubtless had some beneficial impact, their productive efficiency has seemed questionable. They frequently absorb expensive technology—such as tractors (at a time when the majority of producers are still using hand hoes)—with limited applicability in the rest of the economy. A number of early cooperative ventures either collapsed as a result of these problems, or faced crises when they expanded beyond their original structure. Washington [18] recounts the history of a cooperative farm in the Bafatá region which attracted 300 local families to its original complement of 12, collapsed and was rebuilt with only 90 families. The cooperative has two tractors and livestock. In the absence of a more detailed analysis, it would not be unreasonable to assume that the collapse of the cooperative was due to the inability of state to extend the same degree of capitalization to an expanded operation as to a more limited one. Certainly, capital-intensive agriculture can provide no model for Guinea-Bissau's immediate future.

This analysis is borne out by one recent report which states that the state farms "have all been seriously criticized as inefficient, expensive and a waste of state resources. The intention is to turn these over to peasant production wherever possible or to other autonomous groups, keeping only those state farms which are doing valuable and extensive work in testing and improving varieties" [11]. According to the French agronomist, René Dumont, for every 1,000 pesos in labor costs incurred on the state farms, production worth only between 5 and 200 pesos was recorded [8]. He ascribes this to the totally inappropriate level of productive technology used in these establishments.

In his May 1978 "state of the nation" speech to the National Popular Assembly, President Luís Cabral gave an outline of the current thinking on the cooperative movement, which also indicated the limitations and difficulties of the experience thus far:

The Ministry of Agriculture must also play a decisive role in the cooperatives which we are going to set up. We believe in the importance of the cooperative movement, but we are also aware of the difficulties which it faces. Cooperatives are not easy things to set up. In many countries it has taken years and years to arrive at a model which can meet their purpose. But we already have some experience of cooperatives, based on our Fighters for the Liberty of the Homeland or on initiatives taken by our compatriots returned from France or Senegal. The Ministry of Agriculture must always be present to guarantee all the necessary assistance—tools, plants, and other things—so that the cooperatives can develop in a rational manner. Our successes in this field depend upon this assistance. [5, p.9]

It does not seem without significance that neither the 1979 "state of the nation" speech nor President Cabral's "end of year" speech for 1979 made any mention of cooperatives.

Having, at the minimum, scaled down in their agricultural strategy the role of cooperatives and state farms, the PAIGC does not seem to have a very clear idea about what to do to develop a peasant-based strategy. One of the first acts of the National Popular Assembly in 1975 was to nationalize all the land in the country. However, this was really only a legal formality. In so far as there was any conception of "ownership" in the rural areas it was largely a communal one, which this decree did nothing to alter. The real question of access to land and the rights of cultivation have never really been taken up by the state in a systematic way. It would be wrong to assume that communal ownership automatically means an egalitarian distribution of rights of access: relations based on generation and the occupation of communal office (religious or political) often lead to an uneven distribution of effective landholding. This emerges quite clearly from the colonial agricultural census of 1960/61: according to this enquiry, a majority of agricultural landholdings (53 per cent) lies within the fairly narrow band of 1 to 3 hectares; however, they hold only 34 per cent of the land under cultivation. Beneath them, the poorest 13 per cent of cultivators, holding less than 1 hectare, occupy 3 per cent of the land. Above them, the richest 34 per cent hold 63 per cent of the land (with a small group of 300—about 1/3 per cent of all cultivators—holding 3 per cent of the land). These are all family farming operations, and evidence that the larger holdings were not primarily colonial settlers or the like comes from the fact that they were constituted from a large number of small plots (thus holdings of 1–2 hectares were, on average, made up of four plots; holdings of 10–20 hectares eight plots; and holdings of 20–50 hectares by thirteen plots).⁴

There is little reason to think that this picture has altered in a major way in subsequent years. The structure in question is not one of sharp polarization, but one in which there are undoubtedly significant inequalities in the size of individual holdings and average units of cultivation. This raises important questions for a peasant-oriented development strategy. For example, should this strategy be seeking to overcome such inequalities? Or should it be seeking to strengthen the position of larger (and probably more efficient) peasant cultivators, with smaller holders being gradually converted into a rural proletariat or provided with work in other sectors of the urban or rural economy? Or should the main aim be to consolidate dispersed small holdings?

Lars Rudebeck has summed up the three options facing Guinea-Bissau's rural sector:

1. Continuation for a long time to come of traditional agriculture with stagnating production and consequent impossibility to produce enough food. . . .
2. "Kulakization", i.e. the development of stratification between fairly wealthy private agricultural producers and an increasing number of small farmers who cannot support themselves on the land. . . .
3. Development along the lines hoped and worked for by the party and the State Commissariat of Agriculture, i.e. in the direction of collectively organized modern agriculture with the traditional community as its historical and social point of departure. [17, pp. 22–23]

⁴ Calculated from [15, Table II].

It does not seem that the PAIGC now seriously considers the third option a viable, practical one, nor does it appear to have a clear alternative to put in its place. The 1979 session of the National Popular Assembly finally adopted a law on the concession of land by the state to private cultivators. This explicitly rejected the development of large-scale, private "latifundia" on ideological grounds. But this is a road that could not have been open in any event for purely objective reasons. The National Popular Assembly set the size for state concessions at 10 to 20 hectares but this is in fact quite a large landholding by Guinea-Bissau standards—the national average works out to something like 5 hectares per family, and according to the 1960/61 census, landholders in the 10–20 hectares bracket constituted only 3 per cent of total cultivators, although they held 13 per cent of cultivated land.⁵

This might seem to suggest that the PAIGC is currently leaning towards Rudebeck's second option—that of "kulakization." This interpretation is reinforced by remarks in President Cabral's May 1979 "state of the nation" speech. The central theme of this address is the need to regularize the state of Guinea-Bissau's public finances, in particular to stabilize taxation in order to ease dependence upon external donors (according to Cabral, Guinea's only contribution towards the funding of its own development plan came from revenue generated by the sale of international food aid through the Armazéns do Povo, in response to which the assembly decided to double the national reconstruction tax). In his speech he spends some time floating the idea of a tax on landholding, but specifically exempts from this "our laboring people who are in all parts of the country, who live in the villages and whose only means of subsistence is agriculture"; the tax should be levied on "those persons who acquire land in order to then hire workers to work it and to gain a lot of money, in order to have trucks and trucks of cane to sell..." [6]. This seems to advocate the expansion of the rural social groups engaged in this sort of medium-scale cash cropping with the employment of wage labor.

The difficulty with such an approach is not that it is necessarily a wrong one, but that it contains implications which the rather pragmatic and unthought-out shift in policy by the PAIGC has left it ill-prepared to face. This is quite apparent when we turn to look at the field of industrial, and in particular agro-industrial, developments.

Despite the rhetoric of "agriculture as the priority," it is in this field that the most spectacular projects have taken place. The report of the third congress notes four industrial projects set up in 1975–77—a parquet flooring manufacturing factory, a fruit juice and jam factory, a foam rubber factory, and a pottery factory; eleven more such projects were scheduled for completion in 1977 to 1980 [13, pp. 27–28].

The difficulty with these projects is that most of them bear the stamp of many

⁵ For the National Popular Assembly discussion see [14, pp. 47–48], for statistics of land under cultivation see [16, p. 27], for the 1960/61 census reports on land distribution see [15, Table II].

industrialization schemes undertaken by "developing" countries under the influence of foreign capital or international aid donors: they are based upon a technology and scale of production inappropriate to the economic situation of the country in question, and tend towards severe structural inefficiency, dependence upon expensive foreign inputs, and poor integration into the main, rural sector of the domestic economy.⁶

A brief survey of recent projects reported in the official newspaper *Nô Pintcha* ("Forward") in 1980 and some other sources⁷ indicate a similar pattern of problems: centralized agro-industrial projects have taken over many processing functions which could be carried out on a simpler technological basis in the rural economy; they do so on the basis of expensive, capital-intensive technology; bottlenecks elsewhere in the economy—usually transport but sometimes just sheer physical limitations of the rural economy—result in these operations functioning at well below optimum capacity, and in some cases working at a net loss.

To give some examples. The Titina Silva fruit processing plant—one of the five industrial projects set up before 1977, and thus not suffering from simple teething problems—is suffering from supply problems because of transport difficulties in the areas it depends upon for raw materials; this difficulty was to be relieved after three years when the firm's own citrus plantation began to bear fruit [12, March 29, 1980]. The result, however, has been an operation even further cutoff from the rest of the economy. The showpiece of Guinea-Bissau's post-liberation development is the Cumere industrial complex. This is an integrated plant which can dehusk peanuts and shell rice, the waste from which will be used to fuel a thermo-electric generating plant supplying power for an oil and soap factory. The problem is that the optimum operating level of the plant requires an input of 70,000 tons of peanuts and 50,000 tons of rice. This, on optimistic assumptions, is at least half of Guinea-Bissau's current rice harvest and probably a third *more* than its expected peanut harvest. Even assuming that the production gap could be closed, the economics of shipping such a huge proportion of the country's unprocessed, bulky agricultural produce to one central point, to carry out processing that could equally well be done in situ, when the central problem of the economy is shortage of transport, makes no sense. When one of the products being so handled is a staple consumption item like rice—which must then be redistributed around the country again—the scheme reaches absurdity. René Dumont has shown with the example of the Ivory Coast that such capital-intensive operations typically produce at a higher cost and lower profitability than rural artisan industries [8]. As far as Guinea-Bissau is concerned, such an operation will be a losing proposition: the producers will lose with the transfer of potential economic functions out of the rural economy; the consumers of foodstuffs will lose by higher prices resulting from increased processing costs; and the state will lose because of the inevitable sub-optimum level of operation of the plant and the cost of foreign exchange required to amortize and service the

⁶ For a sympathetic but intransigent critique of many of Guinea-Bissau's development projects along these lines, see [8].

⁷ See in particular [11].

capital investment. The only gainers will be the Western suppliers of the technology and equipment upon which the scheme is founded; hence the later shortages in rice supply in 1980.

Jocelyn Jones [11] recounts a similar tale for the sugarcane processing project at Gambiel. Here \$35 million has been invested in a project which will create only 1,000 jobs (in plantation and factory). Jones' verdict on this scheme has undoubtedly wide applicability to other development projects:

Capital costs are high; the problems of organisation of the workforces and the supplying of their needs as a permanent community are great...and added to them is the absence of any benefit to the local communities: in this case agro-processing would be liable neither to stimulate agriculture, nor to create infrastructure in the area, nor to improve the conditions of rural life; There is also reason to fear it will not be profitable. [11, p. 67]

IV. CONCLUSION

There is no denying the important accomplishments of the early years of PAIGC rule. Major advances have been made in reconstruction, in such projects as rebuilding the transport network, resettling refugees, repairing agricultural infrastructure, and reclaiming new land.

At the same time there is nothing unexpected about the fact that the realities of running a devastated country have forced shifts and adjustment in PAIGC strategy. When President Cabral replies to critics, who claim that the government's spending programmes do not reflect a prioritization of agriculture, with the argument that agricultural development cannot take place without effective transport and that in "a country which had absolutely nothing" "everything is then a priority" [19, 1978, p. 237], there is a strong element of truth in what he says.

But this cannot cover over the fact that post-liberation events seem to have produced a confused and unplanned adjustment by the PAIGC, much of which is inappropriate and even dangerous in its implication. By and large, the PAIGC's planning seems to be in disarray. It seems to me that in large measure the responsibility lies with the international and donors. The PAIGC has been eager to maximize its international assistance, and has fallen into the easy trap of cutting its development cloth to suit the donor's scissors. It is thus easier to get aid for high-technology projects (especially those which provide markets for Western exports), for projects which involve the opening up of exportable natural resources, and for schemes which strengthen the state bureaucracy. Once again it is the sector in which the vast majority of the population labor and depend for their subsistence that is the poor relation.

Two further examples may serve to make the point. Guinea-Bissau, a country that cannot even effectively collect its basic taxes, has even set up a Regional Development Department within the Commissariat of National Planning. This department is a revamping of the team that carried out the previously completed national census; funded by the United Nation. Its staff of eighty has a budget of \$1.3 million provided by the Dutch government; which will provide them

with motor transport and purpose-built rest houses in the regional areas. Apart from the dubious duplication (or triplication) of existing structures of both state and party which exist on the local level, the logic of this situation is highlighted by the fact that while \$1.3 million is available for regional *planning*, the National Popular Assembly could only manage to grant \$1.2 million to regional authorities for the *implementation* of these plans.

Secondly, we can take the question of agricultural credit. This is a crucial question, particularly if a peasant-based development strategy is to be pursued and significant inequalities in the rural community are allowed to persist and/or develop (for credit facilities will be essential to increased production and productivity, and in the absence of effective state facilities, rural moneylenders will divert rural surpluses away from productive purposes and into the establishment of counter-productive networks of a "debt peonage" type). Thus far, credit seems to have taken only two forms—the loaning of seed to farmers badly hit by the drought and the granting of special loans to former liberation fighters for their resettlement. A central theme of the last National Popular Assembly was the need to ensure speedy repayment of loans from the subsequent harvest. In June 1979 a special credit programme for former guerilla fighters was announced, but it was acknowledged that this was "basically a political gesture" with only limited benefit: the amount involved was \$30,000 (£14,000) in total.

René Dumont [8] has stressed the importance of rural credit of a very modest nature: he asked one rice farmer what he needed in order to increase his production—the answer was twenty liters of honey. With this he could make fermented drink and organize a traditional village work party to repaint dikes and reclaim cultivable land.

So far the only help Guinea-Bissau has received in this key field has come from the Food and Agriculture Organization, typically in the form of a well-founded *study* into the establishment of an agricultural credit bank [12, March 20, 1980].

As both Lars Rudebeck and Peter Aaby have argued, the eventual course that PAIGC follows is not going to be determined by purely economic, but by *political* factors [17] [1]. This question lies beyond the scope of this paper. Suffice it to say that I cannot share their optimism on this score, not only because events subsequent to their analysis point in a different direction, but because they leave out of account the way in which international pressures—some of which I have outlined above—operate to strengthen the tendencies towards bureaucratization of the party and the adoption of a development path inimical to the interests of the rural majority.

The coup that toppled Luís Cabral in November 1980 did not introduce any real change in the economic situation analyzed here. The rice shortages of that year, already referred to above, merely provided the occasion rather than the cause of the military takeover. The real gravamen of the coup makers [19, November 24, 1980] was the predominance of Cape Verdeans over the political, bureaucratic, military, and economic spheres of Guinean society. And this pre-eminence was the logical result of the Portuguese colonial administrative policy

which automatically granted the status of *assimilados* to Cape Verdeans: In Guinea-Bissau that status could only be acquired by meeting stringent educational and financial requirements. *Parri passu* with the status went Portuguese state education for Cape Verdeans, which qualified them to fill most of the middle and lower echelons of the Guinean civil service.

These privileged *assimilados* and a few Guinean *mestiços* thus became the focus of the envy and resentment of the deprived Guinean majority who failed to gain access to the spoils of Portuguese colonial rule. The issue acquired new saliency when Amílcar Cabral was assassinated in January 1973, and on independence there was an understanding within the PAIGC that the government of Guinea-Bissau would be in the hands of Guineans. Yet a number of key positions remained with Cape Verdeans, who were not averse to displaying the trappings of their power and relative well-being. Their inefficiency, made more irritating by their cynical bid to make themselves indispensable, was particularly revolting to Guinean members of the armed forces, the most senior of whom was the coup leader, major João Bernardo Vieira [19, December 15, 1980].

The chairman of the new Council of the Revolution therefore moved against the person of Luís Cabral and his supporters in the government for obvious reasons, using the excuse of the deteriorating economic situation in the country to settle historical scores. True enough, Luís Cabral had departed from the original ideals of PAIGC, but for reasons already examined in this analysis. And Major Vieira was only too aware of the realities of the international economic environment within which the laudable objectives of the PAIGC's economic programmes were expected to materialize. It is to these realities, rather than the ideology, that the major would address his mind.

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